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FBIS-SOV-90-251 *31 December 1990*

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Yazov Says Army's 500,000-Man Cut Completed

LD3012125290 Moscow World Service in English 1200 GMT 30 Dec 90

[Text] The Soviet Union has in fact completed its unilateral 500,000 reduction of armed forces, Defense Minister Dmitriy Yazov has said in a TASS interview.

Troop withdrawal from a number of countries continues on schedule. At the same time, the minister stressed, the might and combat ability of the Army and Navy are maintained at a level ensuring the prevention of war and a guaranteed repulsion of aggression.

Dmitriy Yazov also revealed plans to do everything to resolve the social problems of servicemen. He said about 177,000 officers' families have no apartments.

Chernyshev on Nuclear Disarmament Prospects

LD2812142490 Moscow TASS in English 1406 GMT 28 Dec 90

[By TASS military observer Vladimir Chernyshev]

[Text] Moscow December 28 TASS—The treaty reducing and limiting strategic offensive weapons, the preparation of which is being completed in Geneva, opens up prospects for more radical talks.

The joint statement signed during the Soviet-U.S. summit in Washington in June 1990 reads that the strategic offensive weapons treaty will be followed by talks on nuclear and space weapons and increasing strategic stability.

It would be expedient to radically cut and strictly limit most destabilising and offensive types of strategic weapons and increase the viability of means for retaliatory strikes.

With this end, a range of measures should be discussed, including reducing the ratio between the number of charges and the number of their carriers. In the future, we should seriously consider a complete ban on cruise missiles and ballistic missiles with fractioned and independently targetable warheads.

The negotiating process must advance to a new level, passing from parameters that determine the sides' forces to quantitative-qualitative parameters. The United States has pursued qualitative superiority in arms, and this could set the balance in favour of Washington.

How to obstruct the most destabilising direction in the development of strategic technologies and set strict rules for modernising and replacing weapons? We should limit a qualitative advance in strategic weapons, the creation of new types and the emergence of new arms race spheres.

All kinds of strategic weapons should be treated equally. There are no grounds for weakening control and limits for sea-based ballistic and cruise missiles. Fairer rules should be worked out for various types of weapons, giving advantages to neither of the sides, when a carrier is considered to have less charges than it really has.

We can hardly speak about disarmament and increasing stability, if a new channel opens up for an arms race in space. There should be no arms in space. The next stage of talks should proceed from the existing relationship between strategic offensive and defensive weapons and press for observance of the ABM Treaty banning the creation of large-scale anti-missile systems, a preconditions for signing the next agreement.

It would be expedient during the talks to discuss when other nuclear states would join the Soviet Union and the United States in reducing and limiting nuclear weapons. So far, reductions in Soviet and U.S. nuclear arsenals have been accompanied by growth in other countries' nuclear potentials.

The strategic offensive weapons treaty should be followed by talks to increase mutual trust, eliminate reasons for making a first nuclear strike, lessen the danger of a nuclear war and increase strategic stability.

Gorbachev on Global Security, Soviet Future

PM2912210190 Moscow PRAVDA in Russian 30 Dec 90 First Edition pp 1, 5

[Written answers by Soviet President Mikhail Sergeyevich Gorbachev to questions from ASAHI SHIMBUN President Toshitada Nakae: "M.S. Gorbachev Answers to Questions from Toshitada Nakae, President of the Japanese Newspaper Company ASAHI SHIMBUN"]

[Text] As previously reported, on 28 December, USSR President M.S. Gorbachev received a delegation from the influential Japanese newspaper company ASAHI SHIMBUN, headed by its president, Toshitada Nakae. The delegation is currently visiting Moscow at PRAVDA's invitation. The USSR President provided written answers to questions from the Japanese journalists.

1. [Nakae] The crisis in the Persian Gulf has developed as a result of Iraq's aggression against Kuwait and has confronted the entire world acutely with the question of how to deal with this type of situation now that the Cold War has ended. What system of control must be created in the future to prevent regional conflicts from flaring up? What role do you think the United Nations can play in the new international order now taking shape?

[Gorbachev] I am convinced that the end of the Cold War gives mankind a historic chance to progress towards a prolonged period of peaceful development. I certainly do not think that the end of East-West confrontation eliminates all causes of international crises and conflicts.

I, therefore, see it as the task of the new world politics to use political means, first and foremost the UN mechanisms, to relieve crisis situations if they do arise anywhere.

There must be no place for stoking conflicts by means of political support, much less military support from outside. This new quality in international relations has been convincingly confirmed by the world community's unanimity with respect to Iraq's aggression against Kuwait.

Institutions inconceivable in the past are emerging to "service" the new world politics. You know that a Center for the Prevention of Conflict was set up as part of the Helsinki process. In the future it seems likely to become a kind of "pan-European security council." Its experience might then be adapted to the Asia-Pacific region too. Meaning, of course, the creative application of that experience, given the specific features of the regions involved and the subjects of the collaboration.

2. [Nakae] For the president of the USSR, a key player of the changed international situation, the most important aim now, in our view, is a stable domestic situation in the Soviet Union. We also favor firm authority for the USSR president in resolving tasks of a domestic order. At the same time we believe that Japan, a country that overcame a multitude of complex problems after World War II and achieved economic success, has the potential for developing cooperation with your country in a variety of fields. What could you say on this issue, and indeed in general about Japan, where you are expected to pay a state visit in the near future?

[Gorbachev] Soviet-Japanese relations have a contradictory past, a very promising future, and a relatively meager present.

On our side, it seems, the traditional western bias of Soviet foreign policy has long been in evidence. On the Japanese side there has been a postwar leaning toward its Pacific ally—the United States. As a result we have lived as if turned away from one another: in homes standing side by side, but with doors opening onto different streets.

Cold War logic taught us, furthermore, to arrange our foreign policy priorities to conform with the levels of military potential opposing us.

Now not only has the world changed, but the ideological blinders have fallen from our eyes. Japan's postwar development experience looks instructive to us.

I have in mind particularly the establishment of postwar Japan as a nonmilitarized power, proven by its example not only the possibility but indeed the undoubted advantages of that option. It is probably for precisely that reason that it is better prepared than other countries to enter the 21st century. It is precisely in the sphere of global policy and in the strengthening trend toward a new wholeness of mankind and unreserved cooperation in the Asia-Pacific region that we see extensive opportunities for USSR-Japan collaboration.

The experience of the postwar reforms in Japan is also interesting for us. Even though the reforms were very specific to Japan, there were universally applicable elements in its transfer from totalitarian state to parliamentary democracy and in the combination of market relations with a considered state economic strategy.

3. [Nakae] The biggest factor obstructing the improvement of Japanese-Soviet relations is the question of the northern territories. Is the USSR intending to show a new approach to this issue, with a view to bringing the Japanese and Soviet sides' positions closer together? And how long do you expect it to be before a Soviet-Japanese peace treaty is concluded?

[Gorbachev] It is not possible to reduce everything to the "territorial problem." Both countries are being damaged by the fact that it has assumed a clearly exaggerated, even self-contained character even though, if we look deeper, it is derived from other circumstances. The Cold War held our countries remote and alienated from one another. Because it became the hostage of confrontation, economic cooperation did not receive normal development.

It is time to take a step toward one another, resolve all the questions, and move to a peace treaty.

The foreign ministries are working on this. I am not about to make the signing of a peace treaty dependent on one side's prior conditions. A treaty has to be the product of the reciprocal consideration of interests and possibilities.

I dare say that during the visit we will be able to have a thorough talk about all of this with Japan's leadership and with representatives of its people.

4. [Nakae] The USSR has put forward an initiative for holding a pan-Asian summit conference. When will that be feasible, in your opinion? And what should the main aim of that forum be?

[Gorbachev] We have to move toward Asian accord in a measured way, stage by stage and step by step. It is going to take time for the potential participants in the future meeting to recognize the need for it and to make preparations. We think of it as an important start in facilitating the settlement of conflicts, place the resolution of disputes between certain states on a basis of law, and assist progress toward rapprochement on current differences.

Naturally the meeting has to be preceded by bilateral and regional consultations at various levels—among diplomats, business circles, military people, experts, and the public. You know that the foreign ministers of all the Asian states have received invitations from us to come to Vladivostok, with a guide date of fall 1993. At that conference it would be possible to fix both a date and a venue for an Asian summit meeting, which would be difficult to imagine without the United States, Canada, Australia, and New Zealand.

If we consider that the whole of North America and the entire Soviet Union took part in the Paris meeting in November 1990, it is clear that its decisions and conclusions do not only concern Europe proper—from the western shores of Iceland and Portugal to the Urals. So also the pan-Asian meeting is bound to have importance beyond Asia proper—it will be Asian-Pacific. And the ultimate aim of the process in the Asia-Pacific region is obvious—to turn what is now a highly militarized region into a zone of stability, good-neighborliness, and cooperation.

5. [Nakae] Does the Soviet Union intend to put forward new initiatives on the Korean peninsula, in the interests of the peaceful unification of North and South Korea? What measures will aim at disarmament and confidence-building in the Asia-Pacific region? What should Japan, the United States, and the PRC be doing in conjunction with the USSR in this direction?

[Gorbachev] It is not a question of transplanting the Helsinki principles to Asian soil. The point is to give second wind to the Bandung principles, born of Asian civilization, taking into account European and worldwide realities. Any mechanical copying will not work.

How precisely the unification of Korea is to come about is something that can only be decided by the Korean people on both sides of the 38th Parallel. We welcome the intra-Korean dialogue that has begun. If some kind of international assistance or guarantees are required, the Soviet Union could take part in them if invited.

We are not just appealing for disarmament and confidence-building in the Asia-Pacific region but have already done much ourselves. In accordance with the Soviet-American treaty all medium- and shorter-range missiles are being destroyed in the Asian part of the USSR too. The Soviet Union has decided unilaterally not to boost its nuclear potential in Asia. The armed forces in the east of our country are being cut by 200,000 men. We have fewer troops left in the Far East than South Korea. The numbers of aircraft deployed there are being reduced. Some warships are being withdrawn from the Pacific Fleet.

The withdrawal of Soviet troops from Mongolia is approaching completion. Soviet presence in Vietnam's Cam Ranh Bay is ending. The Soviet Army and Navy in the Asia-Pacific region is being assigned purely defensive tasks.

An agreement was signed this year between the USSR and PRC governments on the principles for a mutual reduction of armed forces and a strengthening of confidence along our common border. In the future we will be talking about demilitarizing it altogether.

We are pleased to note the U.S. intention to partially reduce its military presence in the Far East. We are ready for constructive discussion of any initiatives which can really lead to a balanced reduction in the levels of military confrontation in the region in both nuclear and conventional arms, including naval forces, of course.

6. [Nakae] A line was drawn under the history of the postwar period on the continent of Europe as a result of German unification and the CSCE meeting this November. How, in your opinion, will the process of transforming Europe proceed? How do you envisage the future security system as a new order takes shape in Europe? When, in your opinion, will the simultaneous elimination of NATO and the Warsaw Pact take place?

[Gorbachev] German unification was indeed a crucial prerequisite for overcoming the division of Europe. However, both this event and the changes in East Europe themselves became possible thanks largely to the deep changes in the policy of the Soviet Union as a result of our perestroyka.

The foundation of a new European order was laid at the Paris conference. How do I see the future Europe? I am sure that it will be a Europe that is united, democratic, and secure for all of its countries and peoples. A Europe without nuclear weapons and other means of mass destruction, with conventional weapons kept at a level of reasonable defensive sufficiency, and where the basis of

common security will be ensured outside of blocs. And of course I see Europe as ready to develop links with the whole world.

7. [Nakae] The Treaty on Conventional Armed Forces in Europe was signed during the Paris conference. The prospects for Soviet-American talks on reducing strategic offensive nuclear arms have now become clearer. What is the USSR's next objective, if we are talking about the disarmament process—reduction of nuclear, conventional, or chemical weapons?

[Gorbachev] The disarmament process is indeed now scaling new heights. The signing of the Treaty on Conventional Armed Forces marked, in my opinion, an unparalleled breakthrough toward a peaceful and secure Europe. You are right, the preparation of the agreement on strategic offensive armaments has entered its final phase. It will mark an equally important breakthrough in the disarmament process and in the movement toward peace, where the security of all countries—large and small—is ensured by collective efforts and political will on a voluntary basis, working through the mechanisms of the United Nations rather than by force.

We want disarmament to become comprehensive in nature and progress to be made "on all fronts." Otherwise, if we block off some channels while leaving others open to the arms race, the danger will not lessen, but will merely shift elsewhere, into other areas, and may even grow over time. The disarmament process must become global and be extended to every region, particularly the Asia-Pacific region.

8. [Nakae] The Soviet Union and the United States have entered into relations of cooperation. A switch to the market is under way in the Soviet Union—a socialist country—resulting in a blurred borderline between socialism and capitalism. Would you be kind enough to say how you define the essence of modern capitalism in this regard?

[Gorbachev] An interesting question. And it is scarcely possible to explain it fully in a political interview. But I would put it this way: We are reinterpreting the world around us from the standpoint of the new thinking. We are seeking to avoid dogmatic and absolute judgments.

The concepts "socialism" and "capitalism" have an historical and a modern reality. But your question seems inaccurately worded to me. This stems essentially from the identification of the market with capitalism. This is clearly not so.

The switch to the market economy we have launched does not remove the differences between socialism and capitalism and does not mean that we are borrowing the socioeconomic and political logic of capitalism.

And, moreover, no society has ever known, let alone knows today, "pure" capitalism. The forms of both capitalist ownership and economic and social policy have sometimes borrowed from the socialist armory undergoing major evolutions.

For its part, the modern socialist idea in no way means rejecting or casting aside the achievements of human thought and practice under capitalism, including the experience of market relations.

But the market for us is not an end in itself. Ends and means should not be confused. We suffered badly from such muddle in the past. From the standpoint of socialism, man, his place in society, and his development, are the true end. That is what determines the whole line of our perestroyka.

9. [Nakae] Would you, please, tell us what prospects the switch to market relations promises? What do you expect from Japan in the context of the economic reforms?

[Gorbachev] The economic situation in the country was the subject of discussion at the Fourth Congress of USSR People's Deputies. Our main problems were honestly and frankly described and ways and means of extricating ourselves from the crisis situation were outlined.

I must tell you that we do not intend to succumb to the temptation of adopting purely administrative decisions. They would merely create the illusion of overcoming the crisis. They would in fact cast us back to the bureaucratic economy. We will make progress toward an open market economy by instilling the requisite order and enhancing discipline.

The transition to the market is a long and painful process. Japan took years to reestablish its economy after the war, and during that difficult time it received sizable assistance from other states. There have been no historical precedents for the transformation of such an economic system as ours on a market basis.

What do we expect from Japan in these conditions? If the economy had not been subordinated to politics but, instead, they had been sensibly combined, trade turnover between our countries could have been increased from its present token level of 1-2 percent of the overall volume of foreign economic ties to at least 5-6 percent.

Cooperation can take the most diverse forms: from traditional cooperation in developing timber and natural resources in the Far East and Siberia and production-sharing to setting up a transcontinental fiber-optics communications system and carrying out joint space projects. I am sincerely pleased with the success of the first Soviet-Japanese flight.

Joint ventures are promising. The amount of Japanese investment in them is extremely small—around 30 million rubles. In October the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet adopted a resolution to set up a free enterprise zone in the Nakhodka region. This offers a good opportunity to Japanese companies.

In short, we expect a constructive approach from the Japanese side. I am sure that this is beneficial not just to the USSR. And it is not of purely economic significance.

10. [Nakae] The public in many countries today is showing interest in the Baltic republics' independence movement, the RSFSR statement on sovereignty, and the events in Moldova and Georgia. The new Union treaty is designed to ensure the renewal of the Union. How do you see its future complexion?

[Gorbachev] The new Union treaty is designed not just to renew, but also, it can be said, to recreate the Union. In recent decades our state, while formally a federation, was in reality a unitary and extremely centralized state. We are creating a multinational, democratic, free state on new principles.

The question of sovereignty and the question of the right of secession are not the same thing. This was thoroughly discussed at the Fourth Congress of USSR People's Deputies. There are no substantial differences on the problem of sovereignty. And as far as the right of secession from the Union is concerned, the decision has been referred to the competence of the peoples themselves—and them alone. A referendum in the republics will deliver the final verdict. And the actual process of secession can be carried out only on the basis of the law, taking account of all the historical, economic, demographic, national-psychological, and other factors.

Some people are inclined to think that the actual exercise of sovereignty and the rights of nations to self-determination will lead to the disintegration of the Union. I do not think so. On the contrary, I am sure that the viability our common state will be enhanced thanks to this. The reality is that it was formed as a multinational state over centuries. And thus it will remain, however deep the changes are.

Our country is the largest in the world. Its disintegration, let us be frank, could bring global destabilization. We have no right to let that happen, and we will not let it happen.

Gorbachev Meets Journalists

PM2912232590 Moscow PRAVDA in Russian 30 Dec 90 Second Edition p 5

[Unattributed report on USSR President M.S. Gorbachev 28 December conversation with delegation of journalists from Japanese newspaper ASAHI SHIMBUN, published without separate headline following preceding report]

[Excerpt] After M.S. Gorbachev had given the Japanese journalists his answers to the written questions a conversation was held, lasting more than an hour and a half, and there were more questions, only verbal this time.

"We are cooperating closely with the newspaper PRAVDA. It has deemed it possible to describe this meeting, which is important to us, on its pages," the guests said. "We believe that not only press organs in our countries but the entire world will be interested in the current condition of the Soviet Union's main preoccupation—the cause of perestroyka. The more so since you have behind you ten turbulent days of the Fourth Congress of People's Deputies."

"These ten days have brought many innovations. People around the world are reacting to them in a variety of ways—quite naturally. The corps of deputies demonstrated a tremendous variety of opinions," M.S. Gorbachev said. "Perestroyka is a unique phenomenon, and that is why it is attracting such heightened attention throughout the world. For us perestroyka is a destiny. We said that we could not and would not live as we had been living, and we determined to renew everything, to change everything in the interests of people: the economy, politics, culture. I hope that we will travel this difficult but inevitable road in a worthy manner."

"Mikhail Sergeyevich, we were surprised by E.A. Shevardnadze's recent statement. We would like to know: For what reason did he make such a statement?"

"As I have already said, his statement was a surprise to me. E.A. Shevardnadze and I are old friends, and we have cooperated greatly and fruitfully in the perestroyka years. I number him among my closest comrades. No, we had not registered any differences in views. I am aware of the idle talk to the effect that his resignation statement was a signal that Gorbachev is supposedly changing course. That is unfounded. Of course the workload being sustained by the country's present leadership is excessive. Essentially we are trying to resolve unusual tasks in all spheres, reassessing values and developing new approaches. For all our, I would say, unanimity, each one of us has his own temperament, character, and style and reacts differently to the difficulties of political struggle. It is a real struggle occurring in society around the processes of perestroyka. Yes, we are different, but that does not mean that our views differ. I was talking with Shevardnadze today. We talked about things. Everything is proceeding normally. I believe that he will do a lot of useful work yet."

"Can it be assumed that he has left his post for good, or will he be asked to stay on?"

"I favor E.A. Shevardnadze's continuing and taking a further active part in the process of perestroyka."

The journalists went on to observe that some people in the West regard G.I. Yanayev's election to the vice presidency as a slowing down of the pace of perestroyka. What was the President's opinion? M.S. Gorbachev answered that, in his view, such an assessment was erroneous.

"The Congress of People's Deputies adopted a decision to retain the word 'socialist' in the USSR's title even though you had proposed a different version. Doesn't

this mean, as people in the West believe, that perestroyka is moving somewhat to the right?"—came a new question.

"The essence of our concept of perestroyka is that we are reforming and renewing our society within the framework of the socialist option," the answer followed. "And we are profoundly convinced that through perestroyka, through the democratization of the political process, the economy, and the entire spiritual sphere, through the democratization of our interethnic relations we are certainly not departing from socialism but, on the contrary, are coming closer to it. The Union of Soviet Socialist Republics constitutes a great tradition. In addition, it means adherence to a definite choice and purpose.

"I am a convinced supporter of socialism," M.S. Gorbachev went on, "and I believe that socialist ideas still have much to give to civilization. Every people makes its own choice itself and organizes life on the basis of it. I am convinced that every people must have that right recognized. I consider that a very great gain from perestroyka and the new thinking."

"You started at perestroyka's outset, Mikhail Sergeyevich, by deciding to divide up power. Now its concentration in the hands of the President again appears to be under way. How are we to correctly understand these phenomena? This process is undoubtedly tied up with economic problems, is it not?"

"I think that everything in life is complex and dialectical. I do not regard the structures of power as something immutable and unshakable. We started perestroyka through democratization, political reform, and the reform of economic and interethnic relations. However every phenomenon must be regarded as a system. An automobile has an engine, steering wheel, gearbox, and brakes. And it is necessary to counterbalance the powerful, democratic, centrifugal processes and sharp politicization of society with a certain structure of power."

The theme of the end of the Cold War was voiced during the conversation. The Japanese journalists give the credit for ending it to M.S. Gorbachev, who was awarded the Nobel Prize. They asked in this regard how the USSR President sees the new international order in the post-Cold War era.

"I think that we must create the new international order together. What we are doing is of interest not just to Europe itself; it also sets a precedent in building new relations. I think that processes have been set in motion in Asia too."

"Can we expect, given the way you put forward the slogan of creating a common European home, to hear something something similar from you with respect to Asia?"—the journalists asked.

"I think that powerful, enterprising forces have started up on that continent. I am not so arrogant as to claim the credit for an initiative which lays claim to the ultimate truth. What I wanted to say I said at the time of my speeches in Vladivostok and Krasnoyarsk. And on other occasions."

Discussion then turned to the visit to Japan next April.

"Have the timetable or date of your arrival or stay now been fixed?"—the guests asked.

"What are they saying in Japan?"—M.S. Gorbachev enquired.

"We are expecting you when the sakura, our cherry tree, comes into blossom—14 April..."

"Does it blossom for just one day?"

"No, one week..."

"Well, that will do fine. I can indeed confirm our common agreement that my visit should take place at that time. A day later or earlier is of no importance. The main thing is that I catch the sakura in blossom..."

"Our country is such that if you miss the sakura in blossom in the south, it will still be in blossom in the north," the journalists said with a smile.

"Mikhail Sergeyevich, you are now sowing the seeds of perestroyka, but will others gather the harvest after you?"

"I would wish to stress the important thing here: We are laying down the groundwork to form our society in a way that will determine its complexion for decades, perhaps centuries. In that sense, the main harvest will come afterward. But if the generations alive today—those who started this and assumed the enormous responsibility of shaping our society—do not feel that these changes are being accompanied by an improvement in their own lives, then we can hardly hope for perestroyka to succeed."

"How do you see the second half of the 21st century?"

"Let us continue to live together and work at building new relations, and not just between our countries but in Asia, Europe, and on other continents in general, then we will be able to try to draw the portrait of such a distant future. Otherwise we'll produce a blurred picture..."

The journalists again returned to the topic of socialism and capitalism, which had already been raised in the conversation. Was it possible to say that socialist society will be built in the light of the positive experience of capitalism?

"V.I. Lenin answered that question before me," M.S. Gorbachev responded. "He said that that you can only become a Communist when you have enriched your mind with the knowledge of all the riches which man has produced. And I think it no accident that values common to all mankind—freedom, humanity, democracy, justice, and others—are to the fore. Moreover, common sense suggests that people are able to withstand

today's challenges only by cooperating, collaborating, and exchanging experience of building life. And today's world, and even more so the future, will prompt the peoples to cooperate more closely."

...The conversation was drawing to a close.

"I haven't tired you out, have I?"—M.S. Gorbachev asked his guests. The Japanese journalists thanked the President for the conversation.

"We look forward to seeing you in Japan," they said. "And at the ASAHI newspaper." [passage omitted]

Churkin Interviewed on 1990 World Events

LD3012102690 Moscow Domestic Service in Russian 0630 GMT 30 Dec 90

[Interview with Vitaliy Ivanovich Churkin, head of the USSR Foreign Ministry Information Directorate, by Viktor Levin in the "Panorama" studio on 30 December—live]

[Text] [Levin] On this, the next to last day of the outgoing year, it seems fitting to remind our listeners that international affairs journalists in many countries agree that the main international event of 1990 has been the unification of Germany. Taking part in our "Panorama" today is Vitaliy Ivanovich Churkin, head of the USSR Foreign Ministry Information Directorate. My first question to him is: How do you view German unification from the standpoint of the USSR's foreign policy interests? Put more simply, is it to our benefit, or could it lead to unpleasantness?

[Churkin] I would state quite categorically that German unification, and in particular unification of the sort which we witnessed this past year, is in the interests of the Soviet Union and in the interests of our people. I say this primarily because the very fact that the German people have finally brought about their historic aspiration to create a unified state has eliminated one of the most dangerous seats of potential conflict in Europe.

The Berlin Wall—taking that concept in a broad sense—meant that there was the constant possibility of various conflicts. There was always the possibility of tension flaring up. Now there is no such possibility.

The second, and probably the most important point for us, when speaking of German unification, is that when tackling the issues associated with it—the external aspects of German unification—the interests of the Soviet Union were taken into account in the most scrupulous way. What do I mean by that? The German borders were determined once and for all, to the utmost extent in the international legal respect. From the point of view of international law, there is no possibility of this issue being reopened or of returning to the question of European borders. There is probably no need to stress just how important that is for us.

In the second place, we succeeded in achieving a substantial reduction in Germany's military potential. I would remind you that the FRG has undertaken to cut the size of the Bundeswehr to 370,000 men, considerably below the level of the Armed Forces maintained in western Germany alone prior to unification, to say nothing of the Armed Forces of eastern Germany. I would also remind you that the Federal Republic has also pledged not to hold weapons of mass destruction—nuclear, chemical, or other weapons of mass destruction—and also not to deploy nucler weapons or launch vehicles, or indeed foreign troops at all, on the territory of the former GDR.

In short, what we are dealing with here is a whole range of additional guarantees of the security of Soviet interests.

The third factor I would like to cite is this: The talks connected with German unification and the unification itself took place in such a way that in Germany we have succeeded in finding not an adversary but an ally. This might seem something of an exaggeration to many, but on that score I would like to remind you that in Germany we now have a very big economic partner; in Germany we have a major political partner. The major agreement signed a couple of months ago with Germany ensures very close contacts, links, and consultations between the Soviet Union and Germany.

We can look to the future of our relations with Germany with optimism. Furthermore, we have succeeded in creating a new atmosphere in the relationship between our peoples. I would say that Soviet people can see friends rather than enemies in the Germans; while the Germans can, I am sure, now see a friend in the Soviet people and in the Soviet Union. The mass movement that we have seen in Germany over the last few weeks to render humanitarian assistance to the Soviet people confirms this. We could not have expected anything of the sort 10 or 15 years ago.

In summation, then, I hope the first weeks of the coming year will see the ratification by our legislature of the agreements concluded with Germany. They have already been ratified by all other countries. At that point, a firm basis will be laid for the further development of our relations.

It is said that ratification of these agreements in our Supreme Soviet will be no easy matter. I do think that will be the case. There will be disputes and objections. Some of the members are even sticking their necks out and stating that they are prepared to reject—if I may put it that way—these agreements in the Supreme Soviet. But I would say that on this point we must take account of what we will gain if we opt for this senseless step, as I would put it; I do realize the Supreme Soviet has every right to have its say on this matter. All the same, when making this or that statement, it seems to me that we must realize what would come of this.

United Germany exists. The Germans want its existence. The Germans have made this perfectly clear. There is nothing one can do about this.

[Levin] And probably nothing one should do....

[Churkin] Probably nothing one should do, yes. I only dwelt on this to say how good it is that this issue, this historically inevitable issue, has at last been sorted out, and sorted out peacefully. But, we would lose those borders that are now guaranteed by the agreements signed. We would lose those credits which we are to get from Germany under these agreements, 12 billion marks given freely, plus 3 billion marks of interest-free credit to the Soviet Union from Germany.

When all is said and done, we would lose those prospects for cooperation with Germany. We would lose that atmosphere of normality in our relations with Europe. And instead of being able to concentrate their minds on moving into the new homes that are to be built for them by the Germans on our country's territory, our soldiers would have to dig trenches in Germany. In other words, I see absolutely nothing to be gained from opting not to ratify those treaties with Germany.

The way I see it, the anti-treaty statements by some politicians quite simply take no account of the very serious realities. This is an issue, a problem on which you cannot play at politics, domestic politics, since that would risk very serious damage to the fundamental interests of our state and our people.

[Levin] Now I want to deal with the issue of Soviet-U.S. relations. Vitaliy Ivanovich, what is your assessment of their present state, and how do you see the future?

[Churkin] The present state of Soviet-U.S. relations is the fruit of intensive work on both sides over the last five years. We have managed to switch from confrontation to mutual understanding, and then to set ourselves an even higher goal, that of moving on from mutual understanding to cooperation. And now, after five and a half years of applying the new political thinking of perestroyka in practice, we can conclude on both sides—with pride, I believe—that we have managed to attain a level of cooperation which is not only to the benefit of our two countries, but also, without exaggeration, of the entire planet.

What am I talking about? I am talking about the real steps which have already been taken, the treaty on medium- and shorter-range missiles; the treaty on the reduction of conventional armed forces in Europe, of which the Soviet Union and the United States played a leading role in its conclusion; and the upcoming conclusion of a treaty on the reduction of strategic offensive weapons. In addition, the Soviet Union and the United States have been able to play a constructive role in settling a number of regional conflicts which have diverted the attention, energies, efforts, and resources of the international community, and indeed our two countries, for many years.

We all know that sources of conflict still, of course, remain in the world. We must not forget for a moment that a danger remains in the Persian Gulf—and a dire one at that. But at the same time, the fact that the Soviet Union and the United States were able to act jointly on this, that they could head the international community's resistance to aggression alongside the other permanent members of the UN Security Council puts this entire conflict onto a completely different plane.

[Levin] Vitaliy Ivanovich, let me ask you a question that must surely be on everyone's mind today. How do you rate the chances of a political settlement in the Persian Gulf region in the coming year?

[Churkin] You know, I think that a settlement must of course be reached in the coming year—and very rapidly at that. We must ask the victim of aggression, Kuwait, whether it agrees to wait or whether it can wait. The events taking place in Kuwait and the conduct of the forces of occupation there show that this matter must not be delayed. Otherwise, it will not be clear what is going to happen to this people and to this country. This factor needs to be considered in any discussion of the ways and means for resolving the problem.

Let me remind you of Resolution 678 of the UN Security Council adopted on 29 November which gave Iraq until 15 January to pull its troops out of Kuwait and provided a respite of goodwill. I want to stress that this was a proposal from the Soviet side, the idea of the respite of goodwill; and the purpose of the respite was to use all political and diplomatic means to find a peaceful way out of the crisis. Here the Iraqi authorities simply must realize that they have no other option. They must understand that the world community is not willing to put up with the occupation of Kuwait and the elimination of an independent, defenseless sovereign state, which, apart from anything else, has for many years generously helped very many Palestinians as well as other countries, including Iraq.

It seems to me that many people do not know that as a result of the occupation of Kuwait, something like 400,000 Palestinians have found themselves ejected from Kuwait. They have had to abandon their adopted homes and have lost their jobs and livelihood. This figure is comparable to the number of Palestinians ousted from their homes by the well-known Israeli aggression in the Near East. So, the argument that Iraq invaded Kuwait to help resolve the Palestinian question is, of course, completely untenable.

We have strayed a little from our topic perhaps. We were talking of Soviet-U.S. relations. I would like to sum up my description of the level which Soviet-U.S. relations have now attained with a phrase used by President Bush in the White House when he was talking to USSR Foreign Minister Eduard Amvrosiyevich Shevardnadze on 12 December. Bush said something like this: We know that there are considerable difficulties in your country, in the Soviet Union, at the moment. We would

like to help you. Then he added: What are friends for if not to help each other out when the going gets tough? You know, one could not, of course, have imagined a U.S. President using such a phrase five years ago, or even two years ago.

I think it is a supreme achievement of the foreign policy of perestroyka in the last five years that we have become friends with very many countries and peoples of the world. That is the way we want it. We are convinced that, in standing up for universal human values, we are struggling —to use what is perhaps the terminology of previous years—for a just cause, a just cause. Universal human values and the attainment by our country and our people, via universal human values, of the level of world civilization are what we need now. Putting things somewhat starkly perhaps, we simply will not solve any of our problems without that. It is a most important element in our overcoming the difficult crisis situation in which our country has found itself.

Our foreign policy is at present a most important internal stabilizing element for our country. It is a stabilizing element because the whole of the rest of the world wants stability in our country.

[Levin] Speaking at the 28th CPSU Congress, USSR Foreign Minister Eduard Amvrosiyevich Shevardnadze stressed that during the last five years we have not spoiled relations with anyone, but have improved them with many. I realize this applies to Germany, about which we were talking, and to the United States. But now, Vitaliy Ivanovich, I would ask you to dwell on Soviet-Chinese relations. After all, we have no greater neighbor.

[Churkin] Indeed, we at the Foreign Ministry regard as one of our greatest achievements the fact that during the years of perestroyka and new political thinking we have managed to normalize relations with China, with the PRC. This is because our country's relations with the PRC are perhaps more important than with any other country in the world. This is our neighbor. It is a great country with a population in excess of 1 billion people; therefore, we pay the greatest attention to relations with China.

Of course, there are still a mass of unutilized opportunities from the point of view of the economic potential of our cooperation, cultural cooperation, or cooperation in any other sphere. But it is noteworthy, for example, that Soviet-Chinese political contacts are now taking place regularly at a high level. Our two foreign ministries continue to maintain very close contacts on the very acute problem of the crisis in the Persian Gulf and on other international problems. It must be said that our approaches and the Chinese approaches now coincide to a very great extent, both in international affairs and in our aspiration for further development of Soviet-Chinese relations and their enhancement in an increasingly real way. Here our positions are completely at one with each other. As was stated during Mikhail Sergeyevich Gorbachev's visit to Beijing in 1989—a historic one, it can be said without exaggeration—it is very good, very important that we have managed to close the door on the past and open the way to the future. The past was full of many difficulties, as you know; but we are convinced that the future has great—actually, unlimited—possibilities. Both countries are now looking into the future.

Naturally, our Asian policies are not just limited to relations with China. The USSR has played a very active part in the settlement of the Cambodian issue, and we hope the settlement process will soon be completed and that there will be an end to the exhausting—both for the direct participants and for the sides drawn into it—conflict that has been going on for years.

In addition, we continue to pay a lot of attention to our relations with Japan. As is well known, the visit to Japan by Soviet President Mikhail Sergeyevich Gorbachev is planned for April 1991. This will be the first visit in history of the head of the Soviet—and, generally speaking, the Russian—state to Japan. There is great interest in this visit. There was a good start in the preparation for this visit by Eduard Amvrosiyevich Shevardnadze during his visit to Tokyo in September 1990. Preparations are continuing. We are convinced that very good, big, and large-scale results can be achieved in the development of Soviet-Japanese relations, though, as is well known to everybody, there is the difficult problem of islands in the south Kuril archipelago that are called the northern territories in Japan. Well, we have here quite fundamental differences. That is why we are not expecting this problem to be resolved during Mikhail Sergeyevich Gorbachev's visit to Japan.

Yet, there is an understanding with the Japanese. A discussion of this problem will continue. Japan is paying great attention to this problem. We understand this. We understand that this is an issue of considerable importance for the Japanese. Nevertheless, in spite of this, there are a great number of possibilities for the development of Soviet-Japanese relations. We would particularly like to implement these possibilities, and this will be a most important and landmark event during Mikhail Sergeyevich Gorbachev's visit to Japan in April 1991.

So, there is a great future in our relations with the countries of the Asian and Pacific region. Our country is both a European and an Asian country, we think in large-scale terms, and we consider it necessary to work practically in spreading to Asia the beneficial processes we have been seeing in Europe in the last few years.

[Levin] Vitaliy Ivanovich, I would like to put the following question to you: Honestly speaking, I have the impression that by dint of completely objective circumstances—in particular, the stormy process of the unification of Germany, which happened in 1990—that our East European neighbors have not been given the attention they deserve. Correct me if I am wrong. If you agree with me, please tell us how the Foreign Ministry regards

the prospects for the development of these relations and how it regards its tasks specifically in the New Year?

[Churkin] Well, I would not agree that the Foreign Ministry has not devoted enough attention to the problems of the countries of East Europe. But, if you were to say that we were not satisfied with the present state of the development of relations with the countries of East Europe, I would agree with you because, after all, we are made to answer not according to the attention which we devote to one problem or another but to achievements in concrete spheres of foreign policy.

[Levin, laughing] I accept your toleration with pleasure.

[Churkin] But here, of course, we come up against objective difficulties, since very great changes have taken place in the countries of East Europe. It is no exaggeration to say that a very great break has taken place and that there must be perestroyka here and that perestroyka is under way. Optimism may probably be drawn from the fact that, for our part, and for the part of the countries of East Europe too, the understanding exists that we are very closely linked with each other economically and politically, and we must try in the new conditions to preserve the close and friendly relations and to live like good neighbors. But to realize that intention, a great deal of effort must be made in the practical sphere. Well, let's say that as of 1991 we are going over to payment in hard currency with the countries of East Europe in contrast to the practice that has existed up until now. A large number of problems arise in this connection which must be resolved. Of course, it is very difficult for our comrades in the Foreign Ministry who deal with problems of East Europe. These are the people who work more than many in our ministry, and we will try to help them.

[Levin] What do you think, Vitaliy Ivanovich: Do we have grounds for thinking that these countries were determined as our neighbors by nature, by God, by history, geography, by anything at all, but that we may or we may not be friends. Will we be real friends?

[Churkin] I think we will be real friends, first because historically it seems to me that friendly relations, relations of mutual respect, generally have evolved between our peoples and that is the most stable foundation which can exist for relations between countries in these times.

Second, we have found in ourselves the courage to look openly and honestly at these problems, sometimes at these dramas and tragedies which occurred in our relations, let's say, in the past decades. It is also very important that we have faced the truth and thereby freed our relations, are freeing our relations from the scum [nakip] of some kind of (?improper) agreement, of some kind of concealed feelings of anxiety which prevented us from looking each other straight in the face openly and honestly and from developing relations to the extent that existing possibilities permit.

Apart from all of that, we must face up to the fact that a certain economic complex has formed. It has suffered from many flaws in economic relations; but nevertheless, the countries of East Europe are still very highly dependent upon the Soviet Union for supplies of a whole range of critically important products, let's say, energy carriers. At the same time, these countries continue to produce a large quantity of industrial goods that up to now have been realized primarily in the Soviet Union; and they will not be able quickly to find another market, apart from the Soviet Union, for these products. That is to say that, apart from everything else, there is real economic interest.

On the whole, there is an objective need in the world not to break off the economic links which have existed thus far but to try somehow to restructure them, to fill them with a new content and develop them.

We are inclined for the countries of Eastern Europe to remain our friends; and, as far as we are able, we want to do everything to help them resolve their problems, taking into account that they also will have a friendly attitude toward the Soviet Union and its inhabitants.

[Levin] I probably would be a bad journalist if I did not ask you in conclusion the following question: Who do you see in the post of the leader of the USSR Ministry of Foreign Affairs in 1991, taking account of the dramatic statement by Eduard Amvrosiyevich Shevardnadze?

[Churkin] I see in this post an energetic, brave, and strong continuer of the business of Gorbachev and Shevardnadze, because I am convinced that the policy they carried out over the past five years was exceedingly effective, allowed our country to win a great deal in the international arena, and allowed us to peacefully avoid a great many reefs and potential conflict situations, which, it is no exagerration to say, were fraught with (?the danger) of war. I mean here those changes which took place in Europe. I am convinced that policy meets the best interests of our people and of our country as well. I see such a continuer of the business of Gorbachev and Shevardnadze in the seventh floor office in the well-known building on Smolensk Square.

[Levin] From your reply, I understand that this, nevertheless, will be the heir [priemnik] to Eduard Amvrosiyevich and not he himself?

[Churkin] Yes, the minister has stated that his decision is final, and we expect that the president will adopt a decision soon on the new appointment.

Churkin Details Belousov-Saddam Meeting

LD2912155990 Moscow TASS in English 1544 GMT 29 Dec 90

[By TASS diplomatic correspondents Aleksandr Kanishchev and Georgiy Shmelev]

[Text] Moscow December 29 TASS—Soviet Deputy Prime Minister Igor Belousov, who has just returned from Baghdad, met on Thursday Iraqi President Saddam Husayn to discuss the return of all Soviet Foreign Ministry spokesman Vitaliy Churkin told a briefing here today.

He added that Saddam insisted that the return of Soviet specialists would not be impeded. Agreement was reached that until the Gulf crisis is resolved, work on Soviet-Iraqi cooperation projects would be suspended.

Churkin said that Belousov expressed the Soviet leadership's grave concern about the critical situation in the Gulf and stressed that all available political possibilities must be used to settle the Kuwaiti issue on the basis of U.N. Security Councils resolutions.

Churkin said that 384 Soviet nationals arrived in Moscow from Iraq today on an Iraqi Airlines flight. A total of 1,070 Soviet nationals remain in Iraq, he said.

Turning to other matters, Churkin took issue with claims by Hans- Ludwig Zahert, President of the German Federal Criminal Police Department, who told DIE WELT newspaper on December 27 that Soviet servicemen in Germany commit up to 20 or 30 offences everyday and that 15 to 30 more desert the Army every week.

Churkin said Zahert's figures "are much higher, if not ten times higher, than the real figures" at the disposal of Soviet authorities.

In order to avoid further confusion, he suggested that businesslike cooperation be started as soon as possible between the German police and the law enforcement services of the Soviet forces in Germany, as envisaged by the October 12, 1990, bilateral treaty on Soviet troops in that country.

Commenting on reports that the Belgian Government on Christmas eve endorsed a plan to reorganise its Armed Forces, which provides for cutting their numerical strength as well as the defence budget substantially, Churkin said:

"This decision by the Belgian Government gives an important signal to other participants in the CSCE process, which leads to a new security system and the transfer of armed forces onto a non- offensive basis."

International Observers Roundtable

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["International Observers at the Roundtable" program, with Vitaliy Yakovlevich Chukseyev, member of the TASS Collegium and chief editor of TASS foreign news; Vsevolod Ivanovich Sovva, deputy head of the USSR Foreign Ministry Information Directorate; and Vladimir Georgiyevich Pasko, All-Union Radio foreign policy commentator]

[Excerpts] [passage omitted] [Chukseyev] There are still a great many unresolved problems. Take, for example, one which is close to my heart for purely professional reasons, restrictions on the movement of journalists, and providing them with appropriate conditions of work. Could you, Vsevolod Ivanovich, as a senior staff member at the Foreign Ministry, reveal the secret, and tell us if we can expect improvements here in the near future?

[Sovva] I think you can, because things are taking their course here, too. The Helsinki process includes, as you know, work on the so-called Third Basket, there have been the important Vienna agreements, accords on a number of specific issues relating to journalists' work. Last year, 1989, the London Information Forum was set up, where journalists exchanged ideas on how to make the flow of information faster and wider. The Foreign Ministry has forwarded, and is still forwarding, a series of proposals aimed at facilitating the work of both permanently accredited foreign journalists in Moscow, and also of journalists visiting on a temporary basis. This was not done to any full extent before. Furthermore, a great deal of attention is being given to maintaining constant contacts with the Soviet press, which as you know now includes many new newspapers and magazines.

[Pasko] In all, the world has become more human, people are really trying to help one another in resolving various problems. Still, surprises do crop up. Take, for example, the crisis that has arisen in the Persian Gulf region. That was entirely an unexpected act of aggression against a sovereign state, a member of the United Nations.

[Chukseyev] The seriousness of this conflict, heating up for almost five months now, cannot but give rise to alarm. The situation around the Persian Gulf, in the Persian Gulf, can probably be described now, on the whole, as a fierce confrontation, a confrontation which could change from a passive to an active one at any moment, and blow up into a new war. At present, it is mainly an exchange of diplomatic fire. In interviews to television companies of various countries last week, Saddam Husayn, as you will doubtless have noticed—he likes to make very frequent appearances—reiterated that Kuwait is a part of Iraq, and there can therefore be no question of returning it. He also rejected the well-known UN resolutions. New aspects did emerge in his public appearances, it is true. This time, we hear attacks on the Soviet Union. He expressed his displeasure at our country's position in this conflict, and commented that honest Soviet people are not in agreement with it, as he put it. Washington, for its part, is showing determination to see that the UN resolutions are fulfilled, and this intention is voiced in speeches by U.S. Administration leaders.

This, so to speak, is the external propaganda background. What attracted most attention last week, in terms of a real development of the situation, however,

was this: Husayn recalled to Baghdad his envoys from Washington, Western European countries, and Moscow. Observers surmise that this is for consultations aimed at working out some sort of new diplomatic initiative. The next few days will show whether this really is a matter of some tangible constructive changes in Baghdad's approach, or whether it will turn out to be an attempt at maneuvering. Meanwhile, at the end of last week, U.S. diplomats who do not hold key posts, and members of their families, started to leave Jordan and Sudan for the United States. Earlier, as we know, the State Department gave the same instruction to its embassies in countries located in the immediate area of the Persian Gulf. Diplomats and tourists should leave this region before 15 January. The Pentagon is currently hastily equipping its troops with new types of modern weaponry, missiles, aviation computer programs and so forth. The massed increase of Iraqi troops in Kuwait is continuing. According to U.S. intelligence reports, just at the end of the year their numbers reached 500,000 men.

So what does this mean? Is the world moving toward war?

[Sovva) I would like to say that the Soviet Union's position in this difficult and strained issue is clear, well considered, and well argued, and it was confirmed the other day by the Congress of USSR People's Deputies. Aggression is aggression, and here nothing can be added nor taken away. And if, incidentally, one analyzes the latest statements coming from Baghdad, one can see that the Iraqi leadership is running out of arguments. The Iraqi Information Minister Jasim announced that Baghdad is currently conducting no negotiations on settling the Persian Gulf crisis. This is an unconstructive approach. The hours are ticking away, 15 January is nigh.

It seems to me that the Arab factor should become more active in tackling this issue and in settling approaches in the very near future.

[Chukseyev] It partially started to work last week. You will remember that a conference of heads of state and government of the Cooperation Council of Arab states of the Persian Gulf ended in Doha, the Qatar capital. Six countries were represented. The participants demanded the unconditional withdrawal of Iraqi troops from Kuwait and the restoration of the Kuwaiti state. These six countries (?alone) represent far from the whole arab nation, of course.

[Pasko] No one can now, probably, predict how this conflict will end. I want to draw your attention to the following: The Persian crisis has raised with fresh force the question of the role of the international community in settling existing regional conflicts and preventing new ones. Furthermore, in my view one can trace here trends which hold out much promise. One of these trends, possibly the most substantive one, is that the world community is moving from words to action. The first thing is the trade embargo against Iraq. Secondly, the Persian crisis has raised the need to settle the near east problems as a whole: I have in mind Palestinian-Israeli relations, and Arab-Israeli relations. Not everyone may have yet noticed the initiative of the Italian and Spanish leaders. The first initiative is aimed at resolving the Palestinian-Israeli conflict, and concerns convening a peace conference on the Near East. The very same idea that we once put forward, that is. The second initiative, which Italy has already tabled, concerns convening an international Helsinki-type conference on security and cooperation in the Near East and Mediterranean region. To start with, it was only the Mediterranean, but now there is a proposal to link it with the Near East. What's the idea behind it? If a peace conference on the Near East cannot be held without Israel taking part, then the second forum could, in principle, be organized without Israel, whether Israel likes it or not. But the PLO is an essential collocutor, and it is the PLO that is the representative of the Palestinian people. Furthermore, it is stated that all these conferences should take place after the Persian crisis is settled.

[Sovva] This was exactly what I wanted to point out, because any direct linkage can only be used, well, as an attempt to avoid responsibility, to avoid a solution of the issue. [passage omitted]

[Chukseyev] By virtue of his position, the UN Secretary-General of course adopts a global approach to world problems. But what is the main thing for us at this moment, in his list of priorities? I think, all the same, that the main thing for us now is the economy, and the major task is to bring our economy out of crisis. What is more, only we can do it, with our own hands, and we cannot pin our hopes on the West helping us, as Ostap Bender in "The Twelve Chairs" said. At any rate, that is the unambiguous conclusion deriving from various serious economic research projects and recommendations by international organizations on the data of the past year. I shall dwell on two of these, the most authoritative: the report by IMF experts—this was drawn up on the recommendation of the seven major capitalist countries—and the report by EEC experts. [passage omitted]

[Pasko] Vitaliy Yakovlevich, we are already receiving humanitarian aid. It is arriving from nearly 30 countries. We are grateful for it, but it is quite clear that it cannot solve our problems. The economic situation in Eastern Europe and in our country that has now taken shape is undoubtedly far from the best possible. Whereas in the West, and particularly in Western Europe, integrational processes linked with creating a single domestic market are gathering speed, in Eastern Europe, the disintegration of these integrational structures is taking place. This is happening in our country, too. From all sides, advice and recommendations are coming on what to do. Experience is behind each of them, and we should not, I think, brush them aside. But one should not forget that the experience in question is multifaceted. We all, for instance, were interested to read the advice of Leontyev, the American who left the USSR. It goes without saying,

it is impressive. Leontyev's work has been awarded the Nodel Prize for creating economic models for various countries. But note: he drew up his models individually for each country. Why? Because each of them has its own specific characteristics, as we have, too. Hence the conclusion: models of development cannot simply be transferred. There is another aspect, likewise not unimportant, which affects all of us directly. This is the social aspect, which one must also not fail to take into account. [passage omitted]

[Chukseyev] There are indeed useful elements in these [IMF, EEC] documents, but they are drawn up according to individual models. One could make use of some things, but I want to quote U.S. President George Bush, who said, without reference to all these recommendations, that the Soviet Union is capable of coping with all this.

[Pasko] Yes, but he did add to this that the main thing is determination to continue moving along the road of reforms, and this is very important. The whole world is following what is happening in our country, and noting with concern the destructive aspects directed toward disintegraiton of our Union, a Union which is today 68 years old. All these years have confirmed the viability of that order created 68 years ago. Everyone wants to see the Soviet Union as a politically and economically strong state. This is not merely words. Any other outcome would mean the emergence of instability in Europe and in the world.

[Chukseyev] Yes, Vladimir Georgiyevich, the world is indeed attentively following the development of the situation in the Soviet Union, and is reacting with alarm to even the tiniest changes in tactics and strategy. The personalities of the leaders conducting this policy are widely discussed. This is why there was such a stormy reaction all over the world to the USSR Foreign Minister's announcement of his intention to resign. I saw the way U.S. television and foreign news agencies reacted to this. There was a ceaseless flood of reaction. You know, the main anxiety voiced in these reactions was: to what degree might the replacement of the head of the foreign policy department result in changes in our foreign policy course? Spokesmen of various foreign policy departments around the world expressed the hope and confidence that our foreign policy course would be consistent, that the Soviet Union would remain a reliable partner in the current joint actions of the international community.

[Shovva] Foreign broadcasts, the pages of newspapers in Europe, America, Asia, and Africa in recent days have been filled with reports about the Soviet Union, about the congress of People's Deputies, about the speeches by leaders and others. All this is being attentively studied and analyzed. To sum up the information coming in from abroad, one can say the following: confidence in the immutablity of the foreign policy of the Soviet Union is not, on the whole, causing any doubts on the part of serious politicians either of the government or opposition in foreign countries. Wishes and hopes are being voiced. The main thing I want to make special mention of in this connection is that there should be no change in the schedule for agreed foreign policy actions. Because any change in that schedule is fraught with consequences not only for our country, but also for other countries who are our partners. Everything is interdependent in our interdependent world. Those wishes are being addressed to Moscow from many capital cities. [passage omitted]

United States & Canada

Boucher Response to KGB Remarks Criticized

PM2812164490 Moscow PRAVDA in Russian
26 Dec 90 Second Edition p 4

[Boris Orekhov article under the rubric "Apt Comments": "'We Are in no Way Trying To Stir Things Up...'"]

[Text] I looked into the teletype room of the editorial office, tore off a few meters of tape left over containing the night's news, and glanced to see what the foreign new agencies' attention had been focused on. The Persian Gulf... Cambodia... An article in the North Korean newspaper NODONG SINMUN... The continuing story of the scandal surrounding the name of Koskotas in Athens...

In short all was as usual. And then I suddenly read: "The U.S. State Department has issued a statement (in the form of an answer to a question) by its official spokesman Boucher, saying in part: 'Allegations of subversive actions by foreign powers made by the KGB chairman are completely baseless and untrue.'"

Further on, in the same statement, he expresses alarm at "a high-ranking Soviet official returning to that obsolete type of inflammatory rhetoric that can only be described as inappropriate given the present improved mood and substance of U.S.-Soviet relations."

This, you will agree, is expressed strongly and in the spirit of the good old days. These days you will not read such things in our press, as it has learned its lesson over the long years concerning unbiased formulations about both internal and external enemies.

I too have read V.A. Kryuchkov's speech to the Congress of People's Deputies, but have discovered no inflammatory rhetoric. The subject matter was purely internal: the fight against sabotage, first and foremost economic sabotage. Incidentally, the headline was: "The KGB Against Sabotage." So why then did the State Department become alarmed?

The fact of the matter is that a leader of the Soviet security department has allowed himself to give a terse and strictly professional appraisal of the situation developing not only in the Soviet Union but around it. He has allowed himself to state that in spite of a thaw in international relations, we can detect "a significant rise in the activity of certain Western special services" in the collection of political intelligence about the development of the political situation in the USSR, about our defense and scientific and technical potential, and about our strategic and hard currency reserves.

I have to say that the KGB chairman confirms the validity of his conclusions by adducing facts. "We are in no way trying to stir things up and are looking at this in an entirely sober manner," he noted. It looks like this pronouncement has had no effect. There are a few people who are nevertheless not averse to stirring things up...

It is least of all possible to blame us journalists for this. Try as I might, I cannot bring to mind any malicious commentaries in the pages of PRAVDA, or for that matter, I think, in any other Soviet newspaper, given over to a theme so "fecund" in bygone days for our colleagues as the confirmation of the latest annual American intelligence service budget. However, for the fiscal year starting 1 October 1991, about $30 billion have been requested for the needs of the CIA, the Defense Department Intelligence Directorate, the National Security Agency, and the National Intelligence Directorate, in short, what people across the ocean call the intelligence community.

Could this figure point to a decrease in intelligence spending? Not at all. In the current year it amounted to $25 billion. And last year to $23 billion.

When all is said and done, life goes on... Despite the changes the world has undergone, services continue to exist whose motto is: "Friendship is friendship, but when the heat is on you'd better look after yourself..." It is not for me to say how long this will go on. Of course it would be better if we pulled together.

Bush Response to 'Friendly Words' Cited

PM2812171590 Moscow IZVESTIYA in Russian
29 Dec 90 Union Edition p 1

[Report by correspondent A. Blinov: "Message from M.S. Gorbachev to G. Bush"]

[Text] Washington—"The Soviet Union is in a position to resolve its own internal problems," U.S. President G. Bush stated at a press conference held in the White House last Thursday.

The press conference and the American President's presence in the capital were both unplanned. G. Bush is spending the Christmas holidays in his Camp David country residence and had only come to Washington for a few hours.

In the morning, having flown in by helicopter to Washington, G. Bush received A.A. Bessmertnykh, USSR ambassador to the United States. As the President's press secretary reported, G. Bush was handed a personal message from USSR President M.S. Gorbachev. The U.S. President and the Soviet ambassador had a conversation which lasted around half an hour.

Appearing before journalists, G. Bush stated that, in keeping with the practice of confidentiality that is accepted in such cases, he would not like to disclose the contents of the message and his conversation with the Soviet ambassador. He only noted that the message contains "very friendly words."

For his part the President, in his words, took this opportunity to send the Soviet leader "our best wishes for the New Year."

Journalists asked G. Bush to give his assessment of the political processes in the USSR. "Yes, they are coming up against difficulties," G. Bush said. "These are mainly economic difficulties, difficulties concerning the regulation of their new federation."

"I believe that they are able to cope with all this by themselves," G. Bush stated.

China

Documents Signed at Beijing Border Talks

LD2912133190 Moscow TASS in English 1316 GMT 29 Dec 90

[Text] Moscow December 29 TASS—A topographical working group of Soviet and Chinese Government delegations to discuss border issues today ended its first meeting in Beijing, it has been announced here.

In a friendly and constructive atmosphere, they discussed joint topographical work in the eastern part of the Soviet-Chinese border and signed corresponding documents.

Participants were received by Chinese Deputy Foreign Minister Tian Zengpei, who heads the Chinese delegation at the border talks.

Qiao Shi Meets CPSU Delegation in Beijing

LD2812230190 Moscow TASS International Service in Russian 1655 GMT 28 Dec 90

[By TASS correspondents Vladimir Fedorchuk and Konstantin Toporkov]

[Text] Beijing, 28 Dec (TASS)—The CPSU delegation led by V.A. Kuptsov, secretary of the CPSU Central Committee, which is visiting China, was received today by Qiao Shi, member of the Standing Committee of the Central Committee Politburo of the Chinese Communist Party. V.A. Kuptsov informed him of the work that the CPSU is conducting among the broad masses of the people. He emphasized that the Fourth Congress of USSR People's Deputies has demonstrated an orientation toward the socialist choice. The CPSU's main task in present conditions is the stabilization of the political and economic situation and interethnic relations, he stated.

Qiao Shi noted that China is hoping not just to achieve success in its own reforms, but is following the situation in respect of perestroyka in the Soviet Union with concern. He informed the Soviet visitors of the situation in the PRC and stressed that China is setting itself the goal of doubling the volume of gross national output by the end of the present century. This task can be carried out by pursuing a policy of reforms and external openness on the basis of the four cardinal principles: adherence to the socialist path of development, democratic dictatorship by the people, leadership of the Communist Party, Marxism-Leninism and the ideas of Mao Zedong. At the same time, Qiao Shi emphasized, stability in the country's political situation is necessary.

The sides expressed satisfaction at the development of links between the two parties.

Northeast Asia

Japanese Envoy Calls on Vice President Yanayev

PM3112105990 Moscow PRAVDA in Russian 30 Dec 90 Second Edition p 5

[TASS report under general headline: "Official Reports"]

[Text] G.I. Yanayev, USSR vice president, received S. Edamura, Japanese ambassador to the USSR, at the latter's request 29 December 1990.

A conversation took place during which a number of questions of mutual interest were raised.

PRAVDA, ASAHI View Gorbachev Visit

PM3112102790 Moscow PRAVDA in Russian 30 Dec 90 Second Edition p 6

[Yu. Vdovin report: "PRAVDA's Guests"]

[Text] Questions of the upcoming visit to Japan by USSR President M.S. Gorbachev in April 1991, and problems pertaining to Soviet-Japanese relations were touched on during a meeting between I.T. Frolov, member of the CPSU Central Committee Politburo and chief editor of PRAVDA, and T. Nakae, head of the delegation of ASAHI SHIMBUN, one of Japan's most influential newspaper corporations, which took place at the editorial office 29 December.

The delegation is in the Soviet Union at the invitation of the PRAVDA editorial office. The day before it had been received by the USSR president, who gave them written answers to questions from the ASAHI newspaper and conducted a conversation on a wide range of international and domestic problems.

During the meeting at the PRAVDA editorial office, which was also attended by members of the newspaper's editorial board, the delegation shared its impressions from yesterday's meeting and conversation with M.S. Gorbachev and reported on the campaign of assistance for victims of the accident at the Chernobyl AES [nuclear electric power station], which begins in January 1991 on the initiative of ASAHI. There was an exchange of opinions on a number of specific steps pertaining to cooperation between the two newspapers in this sphere.

Questions of the traditional friendly relations between PRAVDA and ASAHI were also discussed.

CPSU's Stroyev Meets Mongolian Party Secretary

PM2812160090 Moscow PRAVDA in Russian 26 Dec 90 Second Edition p 4

[TASS report: "Talk at the CPSU Central Committee"]

[Text] On 25 December a meeting took place between Ye. S. Stroyev, member of the Politburo and secretary of the CPSU Central Committee, and B. Bathishig, member of the Presidium and secretary of the Mongolian People's Revolutionary Party Central Committee. The talk took place in a warm and comradely atmosphere.

Growing 'Anti-Soviet' Feeling in Mongolia Noted

LD2912103690 Moscow Domestic Service in Russian 0730 GMT 29 Dec 90

[Report by Vladimir Korolev from Ulaanbaatar]

[Excerpts] The departing year has been a notable one for Mongolia. [passage omitted] Recently a hunger strike was conducted on the Ulaanbaatar railway, which is a Mongolian-Soviet joint-stock company. Those taking part in that action demanded the removal of the company's leadership and its transfer to the Mongolian side.

I want to note that in declarations by some new political leaders, an anti-Soviet theme is becoming more and more clearly pronounced. They speak of the loss that the USSR is supposed to have inflicted on Mongolia and of the fact that it plunders the country's natural wealth. They demand the cancellation of the debts to the Soviet Union, running into billions, the repayment of which is said to be aggravating the Mongolian People's Republic economic crisis. Moreover, anti-Soviet sentiments are quite easily heated. There is no meat in the shops, traditionally the main food for a Mongolian. The Soviet Union is to blame—livestock is exported to pay off the debts. Copper from the Erdenet mining combine is supplied to the Soviet Union too cheaply: it can be sold to other states for a better price. And so on. [passage omitted]

Near East & South Asia

TASS Observer Says Gulf Crisis 'Worsening'

LD2912180990 Moscow TASS in English 1737 GMT 29 Dec 90

[By TASS political observer Yuriy Tyssovskiy]

[Text] Moscow December 29 TASS—The Gulf situation is worsening. The trend is obvious to everybody, especially the main characters. Even the bravado of some statesmen and generals cannot conceal their worry.

No dramatic moves have been made to alter the stands of the parties concerned, or to point the way towards settlement of the conflict. Instead, tension is increasing, fed by statements made in Baghdad and Washington. Neither side shows any sign of softening.

President Bush says that the war will be quick, unlike the war in Vietnam, and will end with a crushing defeat of Saddam Husayn.

Iraqi Foreign Minister Tariq 'Aziz maintains that the war will develop into a "massacre" putting an end to U.S. interests in the Middle East.

Military preparations, exercises in the Arabian Desert, air-raid alert signals in the streets of the Iraqi capital and other Iraqi cities, deliveries to U.S. servicemen of vaccines against possible bacteriological warfare by Iraq, and the distribution of gas masks in Israel and among U.S. troops in anticipation of chemical warfare all contribute to the heightening of tension.

Even if we disregard the psychological aspects of the problem, there are grounds for serious concern. The Iraqi troops are now practicing "training launches" of shorter-range missiles. This is a challenge to Americans, who threaten a preventive strike if the Iraqis bring to the launching complexes liquid fuel for missiles. The U.S. expeditionary corps has been made nervous by being placed on high alert several times. In this tense situation a small spark could set off an explosion. There is no telephone hotline between Washington and Baghdad, and one is hardly expected soon. An ordinary mistake can trigger hostilities impossible to stop.

Another factor outside Washington's sphere of control is Israel, which is drawing up its own plan for "surgical" removal of the Iraqi "tumour".

Sabre-rattling must stop before it is too late. The time left before the middle of January must be used to exploit the existing potential for a peaceful settlement. The alternative to it is horrifying.

Commentary Speculates on Gulf War Likelihood

LD2912233490 Moscow Television Service in Russian 2030 GMT 29 Dec 90

[Analysis by Mikhail Osokin on the potential for war in the Persian Gulf; from the "Television News Service" program]

[Text] It is already clear that the UN's demands will not be met in time. It would take four to six weeks to withdraw the number of troops Iraq has in Kuwait, and Iraq simply will not now have time to do that. And the Americans have already stated that unless withdrawal takes place by 15 January, the Iraqis will have to come up against U.S. troops. Exactly when, however, might that happen?

One can hazard a few guesses if one looks at reports from Saudi Arabia. Some representatives of the U.S. command have stated that troops of the anti-Iraqi coalition will only be fully ready for military action by mid-Febuary. Many experts think this is indeed the case, and the Americans are unlikely to undertake anything before then.

The problem is, however, that Iraqi President Saddam Husayn can also read a calendar. He also knows when the most unfavorable time for him is. Pentagon specialists are voicing fears of a possible attempt by Saddam to inflict a preemptive strike. Although they say that with the present collection of forces this would contradict all the laws of logic, the danger is that the Iraqi president has long since lost all sense of reality and is incapable of making any logical evaluation of what is going on. His advisors tell him only what he wants to hear; and they are reporting that a revolution is brewing in the United States, that Thatcher left her post as premier in Britain having failed to withstand the fight against Iraq.

Furthermore, Saddam himself has a hazy idea of world politics. He has only twice traveled beyond the Near East, and the only non-Arab specialists with whom he has maintained contacts in recent years were Soviet military specialists. Finally, one should take into account the unpredictability of the Iraqi president. This is why some experts say that absolutely anything can be expected in the Persian Gulf, and at any time.

Further on Belousov Delegation Visit to Iraq

Saddam Meeting Reviewed

LD2812132590 Moscow TASS in English 1313 GMT 28 Dec 90

[Text] Nicosia December 28 TASS—According to reports reaching here, Soviet Deputy Prime Minister Igor Belousov and members of a delegation led by him were received by Iraqi President Saddam Husayn on Thursday. They are currently in Baghdad on a commission from President Mikhail Gorbachev and the Soviet leadership.

Bilateral relations and the Gulf situation were discussed during the meeting which continued for more than three hours, the Iraqi news agency INA reported. The meeting was attended by Sa'dun Hammadi, member of Iraq's Revolutionary Command Council and deputy prime minister, and other Iraqi officials.

On the same day Belousov had talks with Husayn Kamil Hasan, Iraqi minister of industry and military production.

Today the delegation led by Belousov were received by Iraqi Deputy Premier Sa'dun Hammadi. Then they had a meeting with Soviet specialists who work under a contract in the city of Ad-Diwaniya.

Return of Specialists Discussed

LD2912101190 Moscow TASS in English 0958 GMT 29 Dec 90

[Text] Nicosia December 29 TASS—Iraqi President Saddam Husayn on Thursday received Soviet deputy prime minister and presidential special envoy Igor Belousov, according to reports reaching here.

During a long meeting they discussed the return of all Soviet specialists employed at Soviet-Iraqi cooperation projects to the USSR, as well as bilateral economic relations.

Saddam insisted that the Soviet specialists would not be impeded in their return. Agreement was reached that until the Gulf crisis is resolved, work on Soviet-Iraqi cooperation projects would be suspended.

When the explosive situation in the Gulf was discussed, Belousov, expressing the Soviet leadership's grave concern about it, stressed that all available political possibilities must be used to settle the Kuwaiti issue on the basis of U.N. Security Council resolutions and prevent a large-scale military conflict.

He also met his Iraqi counterpart Sa'dun Hammadi, a member of the Revolutionary Command Council, and industry and military production minister Husayn Ramil Hasan.

Belousov visited a Soviet-Iraqi cooperation project outside the city of Ad-Diwaniya where he met Soviet specialists.

Belousov Says Visit 'Successful'

LD2912211290 Moscow Domestic Service in Russian 1730 GMT 29 Dec 90

[Remarks by Igor Belousov, USSR Council of Ministers deputy chairman, to an unidientified correspondent "prior to flying out" of Baghdad on 29 December—recorded]

[Text] I consider the visit to be completely successful. There was a lengthy meeting with Iraqi President Saddam Husayn in which many questions regarding the situation around the Persian Gulf crisis were discussed. Most important is that the president unequivocally confirmed the possibility of our Soviet specialists leaving the country within the timetable we proposed and requested. These questions, at this stage, can be regarded as having been discussed and settled. Yesterday, in particular, another Iraqi Airways flight left for Moscow with 400 people on board.

This work will carry on in accordance with the agreed timetable.

And last, the third set of the questions discussed was the work on the projects of Soviet-Iraqi cooperation. We have adopted, probably, the right decision in that we have agreed not to break off our contractual relations,

our contractual obligations. We signed documents on the temporary suspension of work on the cooperation projects. We left behind the necessary number of specialists to monitor the state of the projects, naturally, strictly on a voluntary basis.

We are fully convinced that, once the grave crisis in the Persian Gulf is overcome, we will work intensively and jointly on these projects and do our utmost to strengthen the cooperation and good relations, friendly relations, between the Soviet Union and Iraq. There is a huge amount of work ahead of us, and we all hope, and I would like to stress, that although the situation is overheated, intense efforts should be continued to search for political solutions to issues regarding the Persian Gulf crisis. Hope should not be abandoned. The struggle to prevent the war should go on. This is, in my opinion, the main task for all at all levels.

Soviet Oilmen Recall Being Hostages in Iraq

PM2812160790 Moscow PRAVDA in Russian 26 Dec 90 Second Edition p 5

[Report by K. Kapitonov: "Settlement in the Sands. Soviet Specialists' Life in Iraq"]

[Text] Baghdad-Moscow—Iraqi President Saddam Husayn has "amnestied" foreign citizens held hostage in Iraqi and Kuwaiti territory in time for the Christmas holidays. They have returned or are returning home, recounting their experiences.

Here is one testimony.

"I fought in Vietnam," the manager of a construction organization who was working on contract in Kuwait says. "But nothing scared me as much as being a hostage. You cannot imagine what is going on in Kuwait. The Iraqi occupiers are looting, destroying the country, and raping women."

And here is the odyssey of another American who was working in Kuwait at the invitation of a local company engaged in importing and exporting food products. He was in hiding from the first day of the occupation and did not leave his apartment once. Jordanians and Palestinians brought him food.

"The Iraqi soldiers," he testifies, "searched one house after another. Afterwards they marked an 'x' on the wall outside, meaning 'checked.' For us this sign had another meaning—life. Because the occupiers had not found us."

Little was known about the hostages whom the Iraqi authorities placed at strategic military installations, making them a sort of "living shield."

Those who were in Baghdad did not experience particular difficulties. I saw how hostages kept in the Mansur Melia Hotel passed the time: They played tennis, sweated in the sauna, swam in the pool...

However that may be, a hostage is a hostage. Even if he is a "guest of Iraq." His life is always in danger, he has no rights. He is in a cage whose key is in his host's possession.

As is well known, Baghdad must carry out the UN Security Council decisions before 15 January next year and withdraw its troops from Kuwait. Otherwise it is war. If that is the case, then the Soviet citizens working in Iraq are in real danger of finding themselves in the epicenter of combat operations. Especially those who are in North al-Rumaylah, where strategically important military installations are concentrated.

Journalists are only reluctantly allowed to enter this region 100 km from the Kuwaiti border. For us—Gosteleradio [State Committee for Television and Radio Broadcasting] correspondent Aleksandr Levchenko and the author of these lines—the Iraqi authorities made an exception and issued permission for the trip fairly quickly.

So strategic Highway 1 flew straight as an arrow and smooth as a mirror under the car's wheels. It links Baghdad with Iraq's second major city of Basra, in the south of the country.

Having left behind the "Venice of the East," as the Iraqis call Basra, we soon stopped in front of the entrance to "Burovik," the settlement of Soviet oil workers. A vigilant sentry in the mottled uniform of a paratrooper at first headed for our vehicle. Spotting the embassy license plate, he waved his hand: Pass.

The drilling technicians' settlement is several dozen trailers arranged in rows in 40 hectares of land. Each is equipped with a shower, television, and electric stove. The settlement has its own store, the 168-seater "Ivushka" cafeteria, a video library, a summer movie theater, and the only apparatus in all Iraq for receiving Soviet television via satellite. So when off duty the specialists pass the time in front of their televisions, watching one program after another.

Let me say straight away that daily life in the settlement is well organized. Most of the oil workers eat in the cafeteria, where excellent (I saw for myself) lunches and dinners are prepared. Anyone who wants to cook at home buys food in the store.

The drilling technicians do not suffer from a lack of appetite, since they work (without exaggeration) by the sweat of their brow. And for their exhausting work they receive ten times (!) less than their Western colleagues. This, however, they explained to me, is a "sore point and taboo subject."

So we will not mention pay. Contract leader Sirazhutdin Gadzhiyev, in his fourth year of working in Iraq, told me about the work.

"We are drilling oil wells and taking them to the last phase—'breakthrough' and obtaining the product. Then the wells are closed down and handed over to the client.

"Is cooperation with Iraq to our benefit?"

"Judge for yourself. For every vertical well the Soviet side makes $250,000 clear profit, and for an inclined well it makes over $300,000. We drill one well within a month. In a year we hand over several dozen various types of well to the client. Just figure out what the clear profit is."

"What is the mood of our oil workers?"

"Mixed... There are those who want to leave. But the majority would like to stay. People came here to fulfill a contract, earn the country foreign currency, and, finally, to improve their own material situation. Especially as they cannot obtain this kind of pay ($500) in the Soviet Union.

"Yes, many come to make a bit of money, and I see nothing wrong in that. By the way, Western specialists with whom I have talked do not hide the fact that they come to Iraq for the money."

"So the majority would like to stay? What if there is a war?"

"Yes, the Kuwaiti crisis changed the situation overnight. Personally I understand that in the event of hostilities this region could be at the epicenter of events. But to be honest, we have not yet felt the breath of war although it is only 100 km to Kuwait from here."

I could not help thinking: "What is this—a frivolous underestimation of the situation or firm confidence that Moscow will get them out of Iraq if events deteriorate?" From conversations with oil workers I realized that those who would like to stay believe in the latter.

"We have an evacuation plan," Gadzhiyev explained. "Several trucks with Red Crescent emblems in a state of 'combat readiness.' We'll be okay!"

The drilling technicians were similarly optimistic.

"We are hoping for a peaceful solution to the crisis."

...Our specialists are now returning to their homeland. Reading the reports about this, I wonder: Is the Soviet Union acting correctly in evacuating its people from Iraq? After all, for breaking contract commitments Moscow will have to pay a multimillion forfeit in hard currency. And what if there is a war? What then? What will happen to our compatriots?

Of course, $250,000 per oil well is not bad. The country desperately needs foreign currency. But a Soviet citizen's life is dearer! That is why I rejoice when I learn of the arrival of Aeroflot's latest flight from Iraq.

Israel Housing Settlers in Occupied Territories

LD2812192390 Moscow International Service in Arabic 1600 GMT 28 Dec 90

[Commentary by Aleksey Zlatorunskiy]

[Excerpts] The Israeli government has announced its intention to build 2,500 additional houses in the occupied territories, in the West Bank and the Gaza Strip in particular, for Jewish settlers. THE WASHINGTON POST has reported that Soviet immigrants will be housed in them despite the fact that Tel Aviv has assured the USSR and the United States that it would not be settling Soviet immigrants in the occupied territories. [passage omitted]

It is noteworthy that the USSR, which is working for the establishment of the state of the law, meticulously observes international regulations including the immigration law. In accordance with this law, the Soviet leadership granted the Soviet citizens, irrespective of nationality, and Jews included of course, the right to leave the USSR. Many Jews have left the USSR for Israel, as they used to leave Arab countries in the past. The USSR, however, has asked Israel to implement its precise condition: not to settle Soviet immigrants in the occupied territories. There is no doubt that the Israeli government has full knowledge of this, and had observered this condition in principle until now. [passage omitted]

Finally our commentataor said: there is no doubt that every attempt by the Israeli administration to settle Soviet Jews in the occupied territories will give rise to the strongest reaction from Moscow with all its consequences.

Iran Denies Plans To Normalize Ties With U.S.

LD2812134990 Moscow TASS in English 1303 GMT 28 Dec 90

[Text] Tehran December 28 TASS—A spokesman for the Iranian Foreign Ministry on Thursday denied reports that Iran intended to normalise relations with the United States.

Tehran's policy with regard to the U.S. remains unchanged, because Washington did not unfreeze Iranian assets and supports the Zionist regime in Israel, the spokesman said.

In addition, the U.S. refuses to help release the Palestinians and Lebanese that languish in Israeli jails, the spokesman pointed out.

Diplomatic relations between the U.S. and Iran were severed in April 1980.

East Europe

Bulgarian Socialist Party's Tomov Visits Moscow

Received by Ivashko, Falin

PM3012151590 Moscow PRAVDA in Russian 29 Dec 90 Second Edition p 5

[TASS report: "Comradely conversations"]

[Text] A. Tomov, deputy chairman of the Bulgarian Socialist Party [BSP] Supreme Council Presidium, who was on a working visit to Moscow 27-28 December, was received at the CPSU Central Committee by V.A. Ivashko, deputy general secretary of the CPSU Central Committee, and V.M. Falin, secretary of the CPSU Central Committee.

A detailed and frank exchange of opinions on the broadest range of questions took place.

The immutability of the CPSU and BSP line of deepening cooperation was confirmed. It was agreed to develop interparty ties on a businesslike basis free of stereotypes and formalism. This is particularly necessary today, when both countries are going through crucial periods in their history.

The CPSU and the BSP are convinced that because they are the leading [vedushchiy] political parties of the USSR and Bulgaria, their collaboration should make a considerable contribution to building Soviet-Bulgarian relations on a new basis while preserving and augmenting the capital of spiritual closeness and mutual solidarity built up between the two fraternal peoples.

G. Pankov, Bulgarian ambassador, and R.P. Fedorov, first deputy chief of the CPSU Central Committee International Department, took part in the conversations, which were held in an atmosphere of cordiality and mutual understanding.

Talks With Yanayev

LD2812195890 Moscow TASS in English 1938 GMT 28 Dec 90

[Text] Moscow December 28 TASS—Gennadiy Yanayev, Soviet vice-president and member of the Soviet Communist Party Politburo, and Aleksandur Tomov, Bulgarian deputy prime minister and vice-chairman of the supreme party council of the Bulgarian Socialist Party [BSP], discussed various aspects of cooperation between the USSR and Bulgaria and prospects for its development.

The sides expressed a common opinion on the need to persistently advance in reorganising Soviet-Bulgarian cooperation on the principles of full equality, mutual advantage and the recognition of each nation's right to the freedom of choice.

They confirmed mutual readiness to proceed from priority relations between the two countries and tackle problems, taking into account real possibilities of each side.

Later in the day, Tomov met deputy leader of the Soviet Communist Party Vladimir Ivashko and Secretary of the CPSU Central Committee Valentin Falin.

The sides confirmed the invariable strategic policy of the CPSU and the BSP for stronger cooperation. They agreed to develop inter-party relations on a business-like basis free from stereotypes.

This is especially important now that the two countries are living through a crucial time in their histories.

Tomov on 'Stable' Relations

LD2812230990 Moscow TASS in English 2149 GMT 28 Dec 90

[By TASS correspondent Dimitriy Borisov]

[Text] Moscow December 29 TASS—Bulgarian Deputy Prime Minister Aleksander Tomov said here on Friday that Bulgarian-Soviet relations would remain stable against a backdrop of the two countries' accelerated transition to a market-oriented economy in the next year.

Tomov addressed a news conference in Moscow devoted to the signing of the bilateral payments agreement and an agreement on trade and economic ties in 1991.

At the talks in Moscow, the sides reached agreement on the transition period, during which both countries will gradually switch from the existing forms of mutual settlements to settlements in convertible currency.

Tomov noted that the switch to new forms of mutual settlements would create some difficulties in the Bulgarian economy.

He also called for conducting a quest for new forms of cooperation. Tomov believes that there is an opportunity to conclude trade and economic agreements on goods produced outside the state order, agreements with Soviet Union republics and even with separate enterprises. But he emphasised that the supply of strategic goods would be defined by inter-governmental agreements.

Tomov said that one of the documents signed today envisaged the supply of 6.5 million tonnes of Soviet oil to Bulgaria.

Bulgaria To Pay For Oil With Goods

LD3112090390 Moscow Domestic Service in Russian 0530 GMT 31 Dec 90

[Text] Bulgaria will pay for the 6.5 million tonnes of Soviet oil to be delivered next year with machine tools, electronic technology, food, medicine, and turnkey package projects. A BTA [Bulgarian Telegraph Agency] correspondent was told this by Aleksandur Tomov, deputy chairman of the Bulgarian Council of Ministers, who has returned from Moscow where he signed an agreement on payment, trade, and economic ties between the two countries for 1991.

Procurator Satisfied With Katyn Murders Inquiry

LD2912094990 Moscow TASS in English 0932 GMT 29 Dec 90

[By TASS correspondent Viktor Runov]

[Text] Warsaw December 29 TASS— The Soviet side is investigating the 1940 massacre by the NKVD (a forerunner of the KGB) of Polish officers in the Katyn Forest near Smolensk thoroughly and strictly in line with the law, Polish Deputy Procurator General Stefan Sniezko told a news conference here on Friday.

Sniezko has recently returned from the Soviet Union, where he worked with Soviet prosecutors on the investigation.

For the first time, all 35 volumes of files relating to the Katyn tragedy were shown to the Polish side. Sniezko said he read protocols of interrogations of still living eyewitnesses, including Chairman of the NKVD POW's Department Soprunenko, who was directly involved in the case.

The Soviet military Procurator's Office has asked the Polish side for permission to conduct an investigation on Polish territory, including questioning families of officers murdered in Katyn and getting acquainted with documents Poland has, Sniezko said.

The deputy procurator said he was satisfied with the Soviet side's agreement to the participation of Polish Procurator's Office representatives in the exhumation of officers' bodies in Katyn next summer.

Soviet Troops in Slovakia Complete Pullout

PM3112153390 Moscow KRASNAYA ZVEZDA in Russian 23 Dec 90 First Edition p 1

[Report from Slovakia by Colonel P. Chernenko under "Direct Line" rubric: "There Are No Soviet Forces in Slovakia"]

[Text] The Central Group of Forces, 22 Dec—The last column of vehicles of the artillery regiment commanded by Guards Colonel V. Mikhaylov left Roznava (in Slovakia) 22 December. Now not a single Soviet military subunit remains on the territory of the Republic of Slovakia.

Soviet troops are leaving Czechoslovakia. They are leaving in strict accordance with the established schedule. Although it cannot be denied that people are not all that ready for their arrival in the Motherland. There is no housing for officers, warrant officers, and their families, and the necessary everyday facilities are not ready for personnel in some garrisons. KRASNAYA ZVEZDA has written about this many times already. But things are changing for the better only very slowly.

Nor has the solution of another issue—the sale of facilities and housing stock belonging to the Soviet side—yet gotten off the ground. About 100 military camps have already been handed over to the Czechoslovak side. They have not been sold or leased, only handed over for safekeeping. This is because the interdepartmental agreement on the sale of military camps, apartment blocks, and other buildings has not yet been signed. But it must be said that there are many here who wish to acquire our facilities.

All these problems were discussed at a press briefing devoted to the departure of the last Soviet military unit from Slovakia, which was conducted by the Soviet Government's plenipotentiary for the withdrawal of our troops, Colonel General E. Vorobyev, the commander of the Central Group of Forces. The hope was expressed that very soon all obstacles in the way of selling the facilities and buildings belonging to the Soviet side would finally be removed.

Latin America & Caribbean

Gorbachev Greets Cuba on National Day

LD3112091690 Moscow TASS International Service in Russian 0840 GMT 31 Dec 90

[Text] Moscow, 31 Dec (TASS)—Mikhail Gorbachev, president of the USSR, has sent greetings to the Cuban people on the occasion of the national holiday of the Republic of Cuba, Liberation Day.

The telegram, addressed to Cuban Leader Fidel Castro and published here today, says that the Soviet people treasure their friendship with the Cuban people, which has matured over lengthy and multifaceted cooperation between our countries. We hope that our relations of mutual understanding and trust will go on serving the cause of peace and security, and the development of positive trends in international life.

Time has given us new and major tasks, says the telegram, among which is to make essential a general increase in the effectiveness of our bilateral contacts, taking into account our capabilities and mutual interests.

The USSR president expressed his conviction that this will make it possible to strengthen yet further the traditional bonds of friendship and cooperation between our countries and peoples.

He wished Fidel Castro and all Cuban people success, peace, and prosperity in 1991.

Cuban Envoy Received at Foreign Ministry

LD2812152190 Moscow TASS in English 1459 GMT 28 Dec 90

[Text] Moscow December 28 TASS—Soviet Deputy Foreign Minister Viktor Komplektov today received Cuban Ambassador to the USSR Jose Ramon Balaguer. They discussed some aspects of the two countries' interaction in international organisations.

Congress of USSR People's Deputies

Interregional Group Questions Yanayev Vote

LD2812201690 Moscow TASS in English 1923 GMT 28 Dec 90

[Text] Moscow December 28 TASS—Representatives of the Inter- regional Group of Deputies told a news conference in the Moscow city council today that they question the counting commission's work in the election of the USSR vice-president.

They produced seven ballots that were not put into the ballot box whereas the representative of the counting commission said that a total of five ballots were not put in.

The group also criticised the results of the Fourth Soviet Congress of People's Deputies at the news conference attended by Soviet and foreign journalists.

That appeal says that the congress did not take decisions that would help society handle the crisis "generated by the Soviet Communist Party's lengthy and continued monopoly on power."

The appeal emphasies that the country "is heading towards dictatorship where the key role is assigned to repressive bodies and violence could become the major means of solving internal political issues."

The Inter-regional Group called on working people to be ready to defend democracy and reforms even to the point of a general political strike.

Congress of Deputies Fails to Complete Budget

LD2812191690 Moscow World Service in English 1600 GMT 28 Dec 90

[Text] In the wake of the Congress of People's Deputies of the USSR, which ended yesterday, lawmakers have been saying that one major subject, a Union budget for next year, has remained open after 10 days of sessions. On the last day of the congress it was announced that parallel consultations by leaders of the center and the country's republics agreed all items of a provisional economic agreement for next year but one—the country's budget. This is the result of the decision by the legislature of the Russian Federation to slash its contributions to the Union stock, which jeopardizes basic industries and national social programs.

People's Deputy Yuriy Tsavro has said the program of measures against the crisis can fail.

Lawmaker Aleksandr Orlov warns that a war of prices may begin.

However, President Gorbachev asked the congress to avoid over dramatizing the situation. Under the congress's resolution the president and the Council of the Federation, consisting of the leaders of the republics, are to come to terms within the first 10 days of January.

Lukyanov Reviews People's Deputies' Work

LD2912224190 Moscow Domestic Service in Russian 1930 GMT 29 Dec 90

[Interview with USSR Supreme Soviet Chairman Anatoliy Ivanovich Lukyanov by correspondent Vladimir Koroblev on 29 December; place not given—recorded]

[Text] [Koroblev] Anatoliy Ivanovich, the work of the Fourth Congress of USSR People's Deputies has ended. It lasted 10 days and was fairly intensive. What are the results of this considerable and very crucial work that has fallen on the shoulders both of the Supreme Soviet during the period of preparation for the Congress and, of course, of all the participants of the Fourth Congress, our country's people's deputies?

[Lukyanov] Yes, these were 10 days of very hard work, indeed. The Supreme Soviet prepared for this very thoroughly. A big preparatory commission was formed by deputies representing all shades of opinion, and we prepared ourselves thoroughly. Even all our assumptions were surpassed by the fact that the deputies arrived upset about local shortcomings, with perfectly just demands made by the people and the labor kollektivs. Of course, it was a tense and busy congress. On the other hand, it was my fourth Congress, and we had to work very hard at the congress.

I'll say that it has been a congress of awareness of the responsibility of the deputies for the country's affairs, for the affairs of the people, responsibility for what they are doing, for what they can do on the instructions of their constituents. That is exceedingly important because, on the whole, despite the emotions that there were, despite the very sharp disputes that flared up, the congress reached, on the whole, very balanced decisions, very thorough decisions. In the process of the congress, we learn to find common ground. Approaching matters from a variety of positions, we found those on which we could agree. With us, you know, pluralism is usually defined as a difference of positions; in fact, from my point of view, pluralism has two other very important elements: the opportunity for positions to confront and influence each other and the working out of solutions. Without that, it's impossible. At the congress, that was felt very strongly.

Although the view is sometimes expressed, at present, both in other various news media and abroad, that the congress has retreated from certain positions and veered to the right, I think the congress began—and each USSR people's deputy began—to assess the situation in a more balanced way. That reflects the mood in the country, because in the country, too, people are getting better at sorting out what this or that is worth and what various declarations are worth. Above all, people have begun to demand, not words, but action, and that feeling permeated the congress.

[Koroblev] Anatoliy Ivanovich, since you touched on the subject of concrete action—and the country and the

people do, indeed, now expect radical changes for the better in our life—as yet the press has not evaluated the main decisions that were adopted at the congress—what, in your view, have been the most important decisions to have been adopted by the people's deputies over the 10 days the congress was at work?

[Lukyanov] I think the most important decision was adopted on the president's report of the state of the country. Here, a concrete program is mapped out for normalizing the situation, stabilizing it, and for moving forward. Not a retreat from the principles of market relations, but a movement forward, conscious and balanced, but moving forward. Some entirely specific points of that work have been pinpointed, and that is very important. In this regard, both the directions of the work and the powers that are going to have to be vested in the appropriate bodies have been worked out. From my point of view, this is perhaps the main decision.

A second highly important decision, in my view, is that the congress, in the first days of the new year, will carry out this task: the president, together with the senior officials and representatives of the republics, will sign a provisional agreement for 1991 on stabilizing the socio-economic situation in the country. This will be an agreement among all the republics, making them all part of a common movement.

The main points of this agreement—we discussed this—have already been agreed, and, you can say, signed by all the republics.

All that remains to be finalized is one point, concerning the budget. It has to be said that intensive work is now being done on this very complex issue. I hope it will be solved. A fundamental principle is that, until a union treaty is signed, the laws of the republics that do not conflict with the USSR Constitution and the union legislative acts remain in force. In practice, this will mean the beginning of the end of the war of laws. You know how much trouble that war of laws has brought us, the war of sovereignties. We've got to achieve a consolidation and save the union, the unity of the union.

The congress adopted a clear decision by a huge majority of votes on these key issues. This is very important. I have not even mentioned the fact that the congress defined the concept, the basic principles, of that new union treaty which all of the subjects of our federation must still conclude.

[Koroblev] The issue of the formation of new power structures was being resolved at the congress, and, evidently in forming new power structures, executive power will also change.

[Lukyanov] The main policy line on strengthening executive power is the line of strengthening power vertically, from above, from the country's president, to the local executive committee, along all the lines of the bodies of administration. Here it is important to establish unity in the actions of these bodies. This will be done at the expense of certain powers of the president, who now heads executive power and leads the work of the cabinet of ministers, who heads the soviet of the federation, and he, in turn, is also moving away to the executive bodies. This will be done through introducing the post of vice president, who will direct the monitoring of the implementation of these executive decisions. Finally, this will be by means of strengthening the vertical in the activities of both republican and local bodies, and this will constrict dyarchy and will act in such a way as strengthen executive power in each local soviet which will rely on the soviet, will be monitored by the soviet but which will be responsible for adopting its own decisions and for implementing them. This is the main policy line.

I would just like to say that this main policy line does not, in the slightest, encroach on the sovereignty of the local soviets as elective bodies or of the people's deputies. In the final analysis, strengthening the powers of the president means an equal strengthening of the role of the representative bodies. For the Supreme Soviet, this represents, for example, both an expansion of certain of its functions and the creation of a special monitoring chamber that will be in charge of all issues regarding the monitoring of the expenditure of state resources and state property. That is, we are creating an additional, very strong monitoring body for implementing the laws and the decisions of the Supreme Soviet. Thus, this is a special fusion of presidential power and parliamentary power, of the presidential republic and the parliamentary republic, that is a presidential republic of the Soviet type.

[Koroblev] I would like to ask you a question regarding this. How will relations between the union parliament and the parliaments of the republics take shape in the future?

[Lukyanov] I think that now, already—our mass media has just shown a little—quite honest interrelations are taking shape between us and the majority—I would say the overwhelming majority of the parliaments of the republics, both union and autonomous. Each of our draft laws has, for a long time, already been sent to the republics before it can be adopted. The closest of links have been established for a long time already, between us and the appropriate committees and commissions. Finally, the Supreme Soviets have come to us through the Supreme Soviet with proposals on a whole number of issues, and we have adopted them, in particular the proposals of the Supreme Soviet of the Russian Federation. In elaborating on the law on the banking system, for example, we invited representatives of the Supreme Soviet of the Russian Federation to us, and with them we considered these legislative acts. We will go along this path, together with the representatives of the Supreme Soviet of the Russian Federation who took part in elaborating their own banking law. I do not see any other alternative that will allow us to work apart. No, we must work together, and this is bequeathed to us, in general, by the whole of our history: Soviets at all levels must act as the sole power reinforced by the federal union.

[Koroblev] What is the significance of the law on referendum?

[Lukyanov] I think the law on referendum will give the opportunity to discover the opinion of the whole population of the country—as they say, from the primary source—on the most important and on the most burning issues in the life of our state. This is very important. It is possible to have representative bodies, it is possible to have some parties or other, but it is very important to know the opinion of the people, the attitude of the people, to those issues that literally concern every family. After all, the issue, let us say, of the union, of preserving the union, this is not only an issue of, as it were, state, of political significance, there are 76 million people living within the boundaries of their republics.

[Koroblev] That is, this is, from a practical point of view, an issue of our life.

[Lukyanov] Yes, of course. It is an issue, for example, of mixed familes, of mixed marriages. It is an issue of the citizenship and nationality of children. It is, finally, an issue of the migration of masses of people if we firmly adhere to republics bearing some name or other giving preference to the so-called indigneous population. It is a matter of the people themselves, of the population itself, having to express its opinion here. This is very important, and the law on referendum gives this opportunity.

[Koroblev] Anatoliy Ivanovich, our conversation is taking place on the eve of the new year. What would you like to wish the Soviet people during these last, departing days of 1990?

[Lukyanov] You know, when I parted from deputies after the congress they just asked, on behalf of the Supreme Soviet, that our people be told, first, that we are full of resolve to achieve a turn for the better in our life, a stablization. This may be achieved only if the electorate in the localities takes part in implementing these policies. This may be achieved only by joint labor. It is easy to speak of tightening belts; it is much more difficult to achieve a better life and movement forward through work.

Therefore, I would like to say this: It seems to me that at this congress, not yet very distinctly, but all the same, we saw a gap in the clouds, we saw the first gleams of what we can do. Therefore, I, on behalf of the USSR Supreme Soviet, on behalf of all deputies, would like from the heart to wish our people the acquisition of confidence, calm in work, in labor and the acquisition of hope that the country will live better, that this transition period, with its sharp break, is essential as far as revolution is concerned. We will try to hold this revolution within peaceful bounds to achieve results so that each of our families might live better. It seems to me that our congress did not work badly for our children, for our grandchildren, to live better, for them to live better than their fathers and grandfathers, for them to have a good, kind, high quality, working future.

[Moscow Domestic Service in Russian at 0730 GMT on 30 December carries a 5-minute version of this interview which add the following:

["[Koroblev] How do you rate the work of Mayak [Moscow Radio] in covering the activities of the country's legislature and the work of the Fourth Congress of People's Deputies?

["[Lukyanov] I am in favor of Mayak and ARGUMENTY I FAKTY being objective, sufficiently well-grounded and balanced. This is very important. Let them be different, but let them be balanced. And if one opinion is expressed, then another opinion should be presented, so that it is not one and the same group of deputies who are often broadcast on your program. It seems to me that there should be a wider range so that the people through Mayak—and this is one of the most popular radio programs—hear objective facts and good arguments, and the arguments should be from both sides."]

Discussion Program Views Congress Results

LD3012175490 Moscow Television Service in Russian 1245 GMT 30 Dec 90

["Direct Discussion on the Results of the Fourth Congress of USSR People's Deputies" moderated by journalist Arkadiy Afrikanovich Maslennikov; with Anatoliy Ivanovich Kujyanov, chairman of the USSR Supreme Soviet; Yuriy Vladimirovich Golik, chairman of the USSR Supreme Soviet Committee on Law, Order and Combating Crime; and Viktor Grigoriyevich Kucherenko, head of the Council of the Union Planning, Finance, and Budget Commission]

[Excerpts] [Maslennikov] Good afternoon, esteemed viewers. As you know, the fourth Congress of USSR People's Deputies ended three days ago in the Kremlin. It adopted decisions of the greatest importance and will depend not just our country's present, but also its future development. [passage omitted]

[Lukyanov] Dear comrades I'd like to say this: The 10 days of the congress just now ended were difficult days, difficult because, to a considerable extent, this has been a congress of human alarm. The people's deputies brought to the congress the alarm of society. They brought the hopes of their voters. They brought the discontent of the people with the situation in the country, their worries over interethnic conflicts, and all this found expression at the congress in numerous speeches. You've seen them on television and heard them on the radio. We received from the deputies, from the very beginning of the congress, over 1,400 applications to speak. In other words, two-thirds of the deputies wished to tell us about what is happening in the country. And many managed to do so: we had 455 people's deputies speaking at the microphones or from the platform, and nearly 170 of them handed in their speeches so that they could be published. And I think this tension in the country, what's happening in the country, in the

localities, what the voters are thinking—all this was reflected at the congress. Well, possibly the most notable thing at the congress was that the deputies approached their instructions very responsibly.

They made many proposals about how to decide, how to approach the solution of one or other set of problems. And it must be said that this was also reflected in the polemics at the congress, in the complicated dialogue here. We really did go to the congress under the pressure of the most complex social and economic problems, and now, when the congress has finished, we can say that a whole series of complex, ambiguous problems were solved at the congress. A program of measures was worked out to stabilize and normalize our economy in many respects. This is exceptionally important.

We came to the congress concerned, with the smarting wound of interethnic conflicts. And it is very important that here, at the congress, after painstaking discussion, approval was given to those basic principles that lie at the base of mutual relations between the republics, the subjects of the federation, at the basis of a new Union treaty. It is very important, at the same time, that it was stipulated, agreed that before the conclusion of the union treaty both the union constitution and union laws must operate in full.

We came to the congress concerned about a paralysis of authority, especially of executive authority, and those amendments which are made to the union constitution, the strengthening of the whole vertical structure of executive bodies from the president to the local executive committee, while maintaining the powers, the authoritative powers of the soviets, of our parliament—all this will help improve the situation and strengthen all institutions of state power.

Finally, it must be said that we went to the congress very concerned at the state of law and order in society, at the violation of legality. Here, too, a complete program was worked out to allow advancement and the strengthening of all law and order institutions. The congress answered this unambiguously. We reject any dictatorship of one man or a group of people, but we are attached to the dictatorship of order, the dictatorship of the law and legality; and we will pursue that direction.

We came to the congress as very different people standing on differing platforms and representing various trends, social associations and parties. And we have become convinced that we can cooperate, maintain a dialogue, elaborate on a basis of that dialogue a line of conduct for many people, and work out a policy for the country. And the concord achieved at the congress is exceptionally important. I do not think that it was possible to do everything in the short space of 10 days pervaded by very serious arguments and a serious polemic. It was not possible to cover the whole multitude of nuances and relationships existing at the center and at local level. But much has been done. And we count on the fact that having returned to their areas, USSR people's deputies will do everything to make the congress ideas and decisions work, because the main thing now is action, action in the country, action in every sphere; smooth, well-coordinated labor, a rhythm of work in the country. Peaceful well-coordinated rhythm in the work of millions of people—that is exceptionally important.

Incidentally, today is a remarkable day: We are facing the anniversary, the next anniversary of our union. And I think that the congress will serve the unity of people of all nationalities; it will serve well-coordinated work in the new year of all Soviet people in all of our union and autonomous republics. Therefore, despite the fact that we did not have the time and perhaps could not resolve everything, we can say that the congress has done what it was supposed to do, and the congress has enabled society to take another step forward.

[Maslennikov] Thank you Anatoliy Ivanovich [passage omitted]

From the comments we've already seen and the comments still coming in, one can conclude that not only are there many contributions, but they are very diverse in tone. Frankly speaking, there isn't a particularly large number of letters praising us, the Supreme Soviet, and its members. Most of them are critical. But tone isn't the main point. The content of the letters is interesting. Perhaps the majority of them deal with economic matters. Viktor Grigoryevich, I can see that your have quite a fat bundle there. And I've got some letters here. Perhaps you could start to reply, directly and specifically, and tell us who the letters are from and what the questions are. Let's begin our discussion.

[Kucherenko] A very large number of letters concern the Union budget and the budget of the republics, drawn up on the last day of congress. Here are the questions that people are asking. Comrade Rudin from Moscow asks why the center is again attempting to rob Russia by demanding 119 billion rubles [R]. Comrade Zhdanovskiy from Minsk writes: In my view, the statements made at the congress were somehow propagandist and failed to persuade me. Comrade Tatarenko from Kiev asks what economic and political consequences there might be in the USSR following Yeltsin's decision to reduce budget contributions. Comrade Shevchenko from Kiev says: When squires squabble, the peasants suffer. Please explain the situation. And so on.

[Maslennikov] Viktor Grigoryevich. Excuse me for butting in. One of the letters I've received says: Given a share-out like this, who will ultimately be funding pure science, the army, and other programs?

[Kucherenko] I'd like to say a couple of words. It is no coincidence that this happened on the final day of the congress. This has been under consideration since September, and, unfortunately, the Federation Council failed to find a final solution to drawing up the budgets by the end of the congress. How is the situation in fact proceeding? First of all, no one is robbing anyone. We have laws have been passed in our country defining what

functions belong to the union, what it must do, what spending it needs to perform these functions, and how to get allocations to carry out these functions. These functions are well-known: matters to do with pure science, defense, the administrative bodies, transport, space, and so on—the functions that, in our country, it is better and more convenient for all the republics to perform jointly via the union. Thus, the contributions set for the union budget are also defined by the laws, and every republic makes its specific percentage contribution depending on its economic potential: 22 percent of profits and about 30 percent turnover tax are contributed to the Union budget by each republic, with 70 percent remaining in the republic in the latter case. There are the profits from foreign economic activity, and so on. They are set at a certain rate, and they cover this spending fully or not as the case may be.

So, of course, no one is robbing anyone here, and the contributions are made under established laws. In actual fact, for a long period of time these laws were not rejected by anyone. It was in September, I think, at a meeting of the Federation Council, that this was all confirmed at the first stage. Then a decision was adopted whereby the Russian legislature ruled that laws passed by the USSR Supreme Soviet were invalid on Russian territory and that contributions would be one-fifth or one-sixth of the proper, established figures needed to carry out the functions belonging to the union. So, of course, a very serious problem arose in this respect. We could not draw up Union or republican budgets in this period because the whole procedure got bogged down. The question, of course, immediately arose of what what was to happen to the administrative bodies, to science, and to the funding of social problems—and almost R47 billion had been additionally allocated for increases in spending, particularly for our poorest-off categories of citizens. Moreover, 70 percent of this category of citizens is on Russian territory. And, of course, given this decision, the question arose that since the union was losing its economic basis—and if these contributions are reduced fivefold, it means there will be no army, no science, and no administrative bodies—the question arose whether the Union could exist under such circumstances.

Given that the congress came out in favor of the Union, if this is the case—I am sure that the referendum to be held will also determine this—the people will come out in favor of the Union being unshakeable and if it is the case that this is a state, then the state should be the economic basis and a state should not go with outstretched hands to the republics and ask for appropriations of one sort or another to carry out the functions allocated to that state. This would mean it is not a state.

[Maslennikov] Viktor Grigoriyevich, I have a letter here, for example, not a letter but I have just been telephoned by [name indistinct] from Moscow and she is worried, on her own behalf and evidently also on behalf of her comardes. Will this not affect, in particular, social programs such as pension provisions? How do things stand with these issues? This concerns many people.

[Kucherenko] Pension provisions, here, is dealt with outside budgetary allocations. It is dealt with in separate funds. There are special issues there also, connected with the validity of laws in the republics. But, in principle, this does not concern pension provisions. Of course, the question is immediately asked here: Is this not excessive expenditure? Even one such as this: Has the Planning and Budget Commission looked at spending on defense? Such questions are being asked. I should tell you that for 1991 we looked at defense in the most detailed manner; three times with the participation of the general staff, representing the interests of this expenditure. We considered it in detail and, of course, you have some difference there. Yes, the government came out with a proposal, I can give a figure, R98 billion. At new prices this means a 20 percent reduction in defense expenditure has occurred over a period of two years. It was 77, then 70 for 1990, for 1991 65 billiion. But at new prices...

[Maslennikov, interrupting] Please explain this.

[Kucherenko] New wholesale and new purchase prices have been adopted with approximately a co-efficient of 1:6 or 1:7—these have of course immediately raised the level of spending in the plan. This concerns defense and the social sphere, science and enterprises, the level of the plan has risen. Thus for defense it is 98 billion. The Defense Ministry asks for 103, considering that the Planning and Budget Commission cannot even find the means to allocate 98. We have obtained so far, together with other committees and commissions, R96 billion, although this causes certain difficulties and certain complications because it includes huge categories of people serving in the Army. It turns out that we are reducing defense spending again this year by 7-8 billion. So people worry in this way about how it will be with science, with medicine. Can this money not be handed over to the republics?

I must tell you that both science and medicine and people's education—that is science, people's education, medicine, and culture—have of course been fully handed over and is being fully provided for from the budgets of the republics. Approximately, about, perhaps 10 percent of all expenditure remains in the union budget. This is connected—if it is culture—with the Bolshoy Theater; if sport, the Luzhniki; if it is science then the university. [passage omitted] [Video shows unidentified correspondent with a group of people in a street]

[Oleynik] Oleynik, Boris Terentyevich, resident in Moscow.

[Correspondent] What would you like to ask?

[Oleynik] I would like to ask Anatoliy Ivanovich Lukyanov about concluding a new union treaty. How does he see the functions of the center; that is, will the republics concluding a treaty themselves decide what kind of

center they need, in the process of concluding it, or will they conclude it with the existing center?

[Correspondent] Thank you. Will you reply to our questions right away, or do you want to hear them all first?

[Lukyanov] No I shall reply right away, the more so as I am replying to a namesake of the deputy chairman of our chamber, also a Boris. I just want to say that the conclusion of a treaty between the republics, between all the subjects of the federation, this is undoubtedly a procedure, a process that representatives of the Union will also take part, but we don't intend to foist off anything. The treaty taken simply in itself—what we gave at the congress, what the congress approved—if we were to put together the declarations of sovereignty of every union republic, then issues would crystalize to be handed over to the union. There are approximately eight or 10 such issues, and here there is consensus among all the republics. I think that there will be a major, serious dialogue during the conclusion of the treaty, and it seems to me that there is in all of the republics a realization that these issues have to be handed over to the union. It seems to me that foisting any decisions on the republics just won't get through now. We need dialogue, we need responsibilty, and we need determination. I am grateful to you for this question. [passage omitted]

As far as questions by young people at the congress are concerned, well, they were voiced. I have to tell you that after the congress the chairmen of committees and commissions gathered and already decided at the next session to ratify as soon as it begins the program of the country's youth policy. Moreover, that youth program has already been passed in the first reading—passed rather stormily. It costs a lot of money and we reckon that our state will be able to meet young people half way, of course, with their participation, with the participation of young forces.

There is another very important aspect at the congress. This is it: When we declared the composition of the Supreme Soviet, I have to tell you now that for every deputy under 30 years old there, two more have been added. That is to say, we want the forces of young people, their mind and mood to be voiced very actively at the congress. On the whole, attention to this problem is exceedingly important for us. [Passage omitted]

[Volitskiy] I am Sergey Volitskiy and my question is this. Will we finally see the real results of perestroyka next year? [passage omitted]

[Lukyanov] I think that our comrades, my comrades will answer also. But I will tell you that if we work together we will see real results. I am convinced of that. What do you think Viktor Grigoriyevich?

[Kucherenko] Well, of course, 1991 will be very difficult and there will be serious changes in the operation of the economy. But I think that Anatoliy Ivanovich said correctly that we need to put an end to these conversations. We need to isolate all kinds of, well, demagogic influence upon the action of the economy and well, that means, there are very strong organizers of production. We have a very powerful economic potential.

We have good resources. We have everything to obtain significantly better results. We only need to use the opportunities of the reform being implemented which have emerged or have presented themselves, to make active use and, in 1990—probably by the end of the year—to make it crucial. But the process, of course, is a prolonged one. To say that we will wake up tomorrow and the market will place everything on our table is of course naive. [passage omitted]

[Golik] Here is a group of questions about how our mass media reflect what is going on in our country every day in the sphere of crime. Comrades Sidenko from Nikopol, Leonov from Odessa, Semenov from Vidnoye in Moscow Oblast, and so forth ask why, very often, television shows that a crime has been committed or a newspaper will write about it but it is impossible to learn anything more about what becomes of this crime. I think that it is even very good that our comrades are asking such questions. In many countries of the world—in Britain, for example, there is procedure, reinforced by law, that if the media report about a crime, then after a certain period the same media are obliged to return to this issue and to report what, specifically, has been done. But, unfortunately, very often our reports and television and radio programs are interested only in what is called hot material, and the kind of painstaking work which is done afterwards is no longer so interesting.

[Maslennikov] Thank you, Yuriy Vladimirovich. Anatoliy Ivanovich, a feature of our mail today is that many of our viewers, and those who rang earlier, are posing broad, major political questions. They are interested in how the legislature is working, what it is doing, what it isn't doing. Perhaps you actually have some of these questions.

[Lukyanov] Yes, probably most questions have come in to me, questions that are trenchant, and at the same time questions supporting the Supreme Soviet and the Congress of People's Deputies. But I shall, nevertheless, dwell on the trenchant questions. Some of the comrades doubt that the congress adopted any businesslike decisions. For example, Comrade Nasonov from Moscow, writes: What has the congress been doing for two weeks, if it didn't resolve the main thing—how to lift the country out of crisis? I cannot agree with this. I think that the congress adopted a whole number of specific decisions, got a proper grasp of them. The main thing, this is a totally specific program, and at present, those decrees which you read in the newspapers today are the implementation, quite clearly and precisely, of what was decided at the congress.

The congress resolved many specific and precise issues, including issues concerning personnel. It seems to me that to say of the congress that it didn't yield any results would be going to excess. It isn't so.

Very many questions have come in to me on the issue of the referendum, on the law on referenda, and on the decisions which were made in connection with the holding of a referendum on preserving the USSR and a referendum on private land ownership. Many of the comrades who have sent in their letters and called in complaining that the congress did not say directly that there absolutely has to be separate consideration of the views of both the urban and the rural population. We have written in the law only that there has to be due consideration of the views of each republic, of the population of each republic. I agree with you. I think that there will have to be very careful consideration of the views of the rural and of the urban population, and the population's attitude to such an important issue as private land ownership has to be looked at here. That's my reply to Nikitenko, Galina Petrovna, from Krasnodar, and to (Gedziy) director of the avangard sovkhoz in Tula Oblast.

I am asked this question from Moscow, by Romanov, Yuriy Nikolayevich. He wonders whether it is the right time for us to hold a referendum after this has been decided by the Supreme Soviet of the Russian Federation and by the Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies. This is what I would like to say: The congress has decided to find out the views of the people. This is where the main idea, so to speak, of the two referenda lies. However, the people voice their views, that's the way both our legislation and the activity of state organs will continue to develop. You have to listen to people. It seems to me that this is a very democratic and, from my point of view, correct decision.

I have a great many questions connected with the work of the Supreme Soviet. These questions in particular have come in: Why, when speaking at the session, do deputies constantly say that the matter has been agreed with the constituents, when the constituents have no bearing on deputies' speeches? This is asked by Minosyan, Gayk Manukovich, from Moscow: Isn't it possible to make meetings between deputies and their constituents obligatory on an annual basis? I think that our deputies, as far as I know, have meetings much more often than annually, and the fact that they refer to the views of their constituents is very good, but things are sometimes taken too far here, and I, as chairman, ask: Isn't the well known Indian wisdom being repeated here, that when you swear in the name of the people, then listen carefully: Is it not an echo?

It seems to me that the observation is correct and when deputies speak on behalf of voters they must indeed have very precise and very accurate information about what the population is saying. But that is how it was at the congress, comrades, because at the congress we received approximately 15,000 letters, statements, and proposals from citizens addressed to the congress. Nowadays they write about everything, they hold nothing back, and it has to be said that an analysis of these letters and of the deputies' speeches has coincided. The opinions of the voters agreed with what was being said by the deputies at the congress. There are questions about whether a law on the recall of a deputy is going to be adopted. Yes, the congress has instructed us to adopt such a law, and furthermore this law was approved in its fundamental form at the congress.

There are also questions of this kind: There is a proposal that the legislature should refrain from sitting altogether at the present time and give deputies the opportunity to do some work locally. We decided as follows, that the legislature, the Supreme Soviet, will now consider in the very near future questions of the budget. It will consider the very important law on employment—for us this is exceedingly important now to provide guarantees for the population—and several other issues, and it will then disperse for a month for vacation. Of course, during this vacation constant meetings will take place between deputies and their voters. And so on and so forth. No doubt my time's up now, isn't it?

[Maslennikov] Well, we now have a whole series of questions here—some of them fairly acute ones—for Viktor Grigoryevich.

[Kucherenko] By all means.

[Lukyanov] Actually, Arkadiy Afrikanovich, I would just like to reply to a couple of questions which have been asked to me personally, I have to answer them: Is it true that Lukyanov refused to publish in the press and in the mass media an appeal and deputy's question from Bakatin in which he set out demands and the causes of crime in the Soviet Union? That this was the reason for Bakatin's resignation, and so on? This is from Yevtushenko, Sergey Nikolayevich, from the city of Kharkov.

I can tell you that I did indeed receive a note from Comrade Bakatin on a whole range of issues and it was circulated immediately to people's deputies and brought to their knowledge and it was subsequently published more than once in a number of newspapers. That note raised some sharp issues about the activity of our law-enforcement bodies and so on.

A second question: Anatoliy Ivanovich, please comment on the statement by the chairman of the Ethics Commission about Lukyanov having artificially kindled passions at the congress around Minister Poltoranin. This is asked by Kiselev, Viktor Vasilyevich, from Ryazan.

You know that I did not very much want to read out that note received from Deputy Pylin on the question, well, of the speech by Polteranin, but Deputy Pylin did not just ask his question but resolutely insisted that it must be read out at the congress. It was only because of this that I read that question. [Passage omitted]

[Kucherenko] I have a lot of questions about price reform, monetary reform, and the increase in wages. [passage omitted]

With regard to price reform, comrades, [words indistinct] We have reached a paradoxical situation in the

country whereby our budget—well, from the resources of the state, the republics, and the Union for 1991, after all, at the level R560 billion, R240 billion of that goes toward subsidies for enterprises producing consumer goods; in the first place of foodstuffs. No state in the world has anything like such subsidies in its budget. That cannot continue further. Why has that happened? Because over the decades, whether we like it or not, prices, wholesale purchase prices, have been growing, and this year there was a change in these prices while retail prices stood still. Of course, we need to continue price reform in order to avoid that paradox. These R240 billion should be taken and given to the population in the form of wages, grants, in the form of pensions for the poorly provided for, in order to compensate for what they do not spend and allow prices to reach a state which should be normal in a market economy. Without that we cannot take a step further ahead. I repeat once again, almost 40 percent of the country's state budget goes toward subsidies.

Now, the question of monetary reform. Well, what can I say to you? Well, that theme is being whipped up all the time, I will not beat about the bush. It is keeping the whole country in a state of tension. People are constantly trying to get rid of money because, indeed, since that question was not decided at the last congress, Anatoliy Ivanovich, Popov and Kryuchkov raised that question. But well, I should say to you that I do not possess such data. Yesterday, Comrade Pavlov said that there is no such thing in the plans of the Finance Ministry. But comrades, if you want to know my personal opinion, my personal opinion, then I, of course, if you asked me, I, naturally, would support monetary reform, only because people would already stop getting rid of their money and the new tokens and new monetary units would acquire some kind of prestige. Let us be blunt, those who have money to spare, which they have earned in some way by dishonest work, this can also be put into order.

[Lukyanov] Viktor Grigoryevich, in principle, when I speak with deputies, I feel that a substantial proportion of people's deputies adhere to the point of view of the need to carry out monetary reform. [passage omitted]

[Golik] I have had many questions about the law on the militia. The law on the militia was indeed adopted in its first reading, and it is necessary to adopt that law as quickly as possible. As far as I can judge, we came to an agreement at our last conference with the chairpeople of committees and commissions and at the Fifth Session of the USSR Supreme Soviet we will start off with the law on the militia being one of the first laws on the agenda.

[Lukyanov] The main thing is that we very much hope that in the very near future—and Yuriy Vladimirovich and I have already examined the material—a presidential decree will be issued. We have to support the Interior Ministry workers, help them, defend them, without waiting for a law on the militia to be adopted. But it will be the first at the next session.

[Golik] Yes, that's good. This kind of law has been adopted in many republics. Several viewers are asking why that is, why the republics are adopting it, and the Union remains silent. The war of laws again, is it, they say? I don't think so. If the question is asked properly there shouldn't be any war of laws about it. At the moment the three-tier structure, so to say, of the militia is very clearly visible: the Union militia, the republican militia, and the municipal militia.

These bodies differ in their sources of financing, differ in the tasks facing them, and they have different functions; but they will have a single goal, or rather a unified goal. This is the stabilization of the situation in a specific region and the establishment of order. [passage omitted]

[Lukyanov] This reminds me that I have said nothing about whether there is to be a professional army, about how this matter is to be resolved. I want to tell you that we are drawing up a law on military service. Evidently, in the process of military reform, we can gradually switch to a professonal army. But this question is not relevant at the present moment. Individual types of troops will be switched to professonal army staffing and there is even the matter of one district now under discussion. But it is not possible for us to resolve this problem as a whole at the moment and, indeed, it is solved in various ways around the world.

[Maslennikov] Thank you Kalininskiy Prospekt, thank you.

[Lukyanov] I wish you success and a happy new year. [passage omitted]

[Maslennikov] Anatoliy Ivanovich, you probably have letters as well.

[Lukyanov] Yes, I have received more letters and quite a lot. In particular, many comrades ask me what my personal attitude is toward the issue of the handover of enterprises to labor collectives, to collective ownership. The point is that—you probably recall this was in the press—I took part in and discussed these issues at length at the all-Union congress of representatives of the soviets of labor collectives. Thus Viktor Nikiforovich Kebich, a delegate from this congress, asks me this question. I am in favor of the role of the collective being strengthened to the maximum degree in the disposal of all resources for enterprises. There should be both lease-hold ownership and collective ownership and redemption here. That is all forms should operate, not just one mind, but all. On the whole, I am in favor of this.

I am asked: Would it be possible to change the electoral system for the Supreme Soviet in order to exclude the election of incompetent people who are not capable of thinking logically?—Vladimir Aleksandrovich Linder from Simfropol. I should tell you that the demands now on deputies, those who are elected, will undoubtedly grow. People have started to understand who is who, to whom they should give their very important electoral instructions. It seems to me that the latest elections, even

the intermediate ones which took place, show that such demands are growing and the electorate is beginning to understand much better whom they are sending to the soviets, including to the Supreme Soviet.

[Maslennikov] Anatoliy Ivanovich, here I must evidently also react to the very large stream of letters, it is perhaps a little outside the bounds, that is very much outside the bounds of the subject matter of our conversation today but very many people have been disturbed and concerned by the fact that the latest "Vzglyad" program was not broadcast. There have been many letters, many calls and telegrams, sometimes very angry ones. Thus, comrade Vladimir Pavlovich Denisov from Kirovograd Oblast writes: The "Vzglyad" program was not broadcast; this is an assault on our glasnost. We have to hear from Voice of America what has occurred on our television. This is not as it should be. The cancellation of "Vzglyad" has put us on our guard to a very great extent and has frightened us—from Svetlana Afanasiyeva, Leningrad. There are many letters, I will not name them all. What could you say in this connection?

[Lukyanov] I will answer very briefly, because I have a mass of other notes, too, though they are of a different kind. Here they criticize the press and television for being one-sided and so on. I want to talk first of all about the essence of the question it was expected would be discussed, as far as I am aware, in this program. One has to distinguish between raising the question of the resignation of the foreign minister and the resolution of this question. These are different things, and the person who raises such a question understands perfectly well that he has to continue to fulfill his duties until such time as a decision is made, in accordance with a proposal made by the president, by the body that appointed the minister, that is to say the USSR Supreme Soviet. So it seems to me in this connection that we have to express to the journalists and to those in charge of the mass media the wish that they should now be more carefully considered than ever before in their assessments, that they should have a responsible approach. These are complicated times and it is not just the mood of people and the way they feel that depends upon the word that is printed in the press or the word that is uttered from the television screen but the future of the country.

All these letters—I have them here from Comrade Kalugin, Yuriy Ilich, from Moscow; from Ilyushin, Vladimir Fedorovich, also from Moscow, from Umonets, Mikhail Panteleyevich, from Slavutich—he is director general of the Chernobyl nuclear power station—and they all talk about the same thing, the responsibility facing those who work on the press and in television; the fact that pluralism in our country must not be allowed to be transformed into just one way of thinking, so that there isn't a like-mindedness of those who think differently—and that also happens—and so on. I would agree with that.

[Maslennikov] Anatoliy Ivanovich, just to round off this topic, I have just been told that those televison viewers who are concerned about this will be able to get a specific answer to many questions today. Leonid Petrovich Kravchenko, chairman of State Television and Radio, will answer the questions of a well-known observer after the "Vremya" newscast and he will also answer questions about "Vzglyad." However we are not going to be able to get rid of several fairly sharp questions, as they say.

A new series of very conflicting telegrams has now arrived about Russia and about Yeltsin. Here is an example: Alekseyeva, Yelena Petrovna, from Leningrad writes: I put it very strongly: Leave Yeltsin in peace. Your replies do not satisfy us. You say things that never actually happened. Moving on: Bondaranko, Aleksandr Gavriilovich, from Novoshakhtinsk, disagrees with her. Watching the Congress of People's Deputies and the Supreme Soviet session I came to the conclusion that the Yeltsin team is simply ignoring many Supreme Soviet decisions. I would like to say that people are already bored by the constant confrontation between President Gorbachev and Yeltsin. There are other ones like that.

I can only say again what I said at the beginning: It is not our purpose and it is not our task to whip up these passions. They really don't do anyone any good. As far as the specific question is concerned, which we were talking about earlier, we will indeed try to observe the balance in our future programs so that the viewpoint if both Russia and the other republics on the questions that concern them are presented adequately and not by means of interpretations which are always liable to give rise to doubts of various kinds but in the first person by authoritative representatives of these bodies. Now, if you please, I will ask those taking part in our meeting to answer the most acute, final questions quickly. We have just eight minutes left and we will then conclude the program.

[Lukyanov] I will say very briefly that I have received many notes from inventors asking them when is a law on inventions to be adopted? This law has been adopted at the first reading and I have to tell you that that law is included on the agenda for the next Supreme Soviet session. We will try to adopt it. There are a lot of letters. Pressure is being put on us by associations of deputies and voters who are inventors and I believe that we will adopt it. A question is also asked about when elections of the whole people are going to be held to elect the president? This will occur when the powers of the current president expire.

A question is asked about whether it is time to introduce military rule for the stabilization of the country. There are quite a few such questions, especially from those republics where literally interethnic events and confrontations, have developed. I want to say that we are trying to act in a balanced way and to resolve everything which it is possible to resolve by political methods, by political methods.

The president said at the congress that if it is necessary we will have to resort to such a form as presidential rule.

It is provided for by our law, by the Constitution, and we will indubitably act. But this must be done in a balanced manner in particularly acute situations.

[Maslennikov] Thank you, Anatoliy Ivanovich. Yuriy Vladimirovich, very briefly on the main thing.

[Golik] Well, I think that the most tense questions, and there are many of them, are on when all our citizens will be allowed to have weapons for their personal use—more briefly, the issuing of weapons—and this is almost the only salvation from crime running riot. I assure you that this will yield nothing save unfortunate consequences. If weapons are sold in our country, even under state control—and you know very well what that means in the conditions of our state—then this will yield very unfortunate results in the shortest time. We should not carry out experiments on our people again. [passage omitted]

[Kucherenko] Will an exit law be adopted, and when? Such a law is ready. Of course, sizeable hard currency expenses are entailed and I, as a deputy, as chairman of the Planning, Finance, and Budget Commission, will make every effort so that these expenses are not borne by those citizens of our country who remain in the union, but balance it out so that those who leave must also cover all expenses connected with this. [passage omitted]

[Maslennikov] Anatoliy Ivanovich, you opened our program. Perhaps you will briefly summarize for us and on the eve of the new year, so to speak, will tell our viewers what you think.

[Lukyanov] First of all, I want to say that we have recorded every note received here and every telephone call. This is a further contribution to our work. We shall take both into account and look into the specific questions which were asked. So the legislature should have a constant link—one which is constantly getting stronger—with the population, including through media such as television.

I would like to thank those comrades who addressed the Congress of People's Deputies and wished it all the best. On behalf of the USSR Supreme Soviet we would like to convey to you the very best new year's wishes. New Year, as is known, is a festival for the family and so wishes first and foremost of peace and well-being to every Soviet family. Peace and well-being to the family of peoples of the Soviet Union. Peace and well-being on our planet. May this year be the year of the stabilization of the country's economy. May this year be a year of civil and interethnic accord in our country. May everything which is done during this year by the hands and brains and talent of people serve the well-being of every family, of every Soviet person. All the best in this coming New Year, comrades.

[Maslennikov] Comrades, our broadcast has come to an end. I again repeat these last words Happy New Year. May it be a happy one for you.

Yanayev Interviewed on Vice Presidential Duties

PM2812161190 Moscow IZVESTIYA in Russian 29 Dec 90 Union Edition p 1

[Report by A. Stepovoy under general heading: "G. Yanayev—the Country's Vice President"]

[Text] The story of the repeat vote at the election of the country's first vice president is now the focus of attention of the Soviet and world public. There are more than enough commentaries and assessments. We suggest looking at everything that has happened through the eyes of the hero of the day himself who has, over the course of a few hours, experienced the entire range of human feelings. On 27 December your IZVESTIYA legislative correspondent talked with Gennadiy Yanayev twice: after the first vote and after the second vote, which was successful for him.

Touching on the results of the first vote, Yanayev stated calmly: A struggle is a struggle. The congress has made a political choice, and I am sure that if there had been another candidate instead of me the results could have been the same because people connect with my name an entirely specific desire and readiness to act and not simply to engage in declarations. I am a man of action. I want to work in the interests of my long-suffering people. I experience no particular pleasure or discomfiture....

After a complex victory G. Yanayev was just as calm and affable and readily answered journalists' numerous questions. Touching on his new powers, the vice president said: I shall fulfill the president's instructions and take his place when he is not there or cannot fulfill his duties. I shall engage in control functions and some specific emergency programs which unfortunately arise in our country almost daily.

About my family: My wife Roza Alekseyevna is an agronomist and economist by profession. I have two daughters, one a psychologist, the other a legal institute student. My grandson Kolya is 10 years old.

After the first unsuccessful round the family rejoiced, G. Yanayev said. As of the moment of my second talk with him nothing was known of his family's subsequent reaction. After all, only about 20 minutes had elapsed....

Vice President Yanayev's Career Profiled

PM2812135190 Moscow PRAVDA in Russian 28 Dec 90 Second Edition p 1

[Unattributed biographical details of "USSR Vice President Gennadiy Ivanovich Yanayev"]

[Text] He was born into a peasant family 26 August 1937 in Gorkiy Oblast. He is a Russian. He graduated from the Gorkiy Agricultural Institute in 1959 and from the All-Union Correspondence Course Legal Institute in 1967 as candidate of legal sciences. He has been a member of the CPSU since 1962.

He started his working career in 1959 in Gorkiy Oblast as chief of a mechanized detachment at the Rabotki Repair and Technical Station, and then he was chief engineer at "Selkhoztekhnika's" [association for the sale of agricultural equipment, spare parts and mineral fertilizers and for the organization of the repair and operation of machinery on kolkhozes and sovkhozes] Rabotki section and manager of the Knyaginino section. He became second secretary of the Gorkiy Lenin Communist Youth League Obkom [Oblast Committee] in 1963 and first secretary in 1966. He became chairman of the USSR Committee of Youth Organizations in 1968. In 1980 he became deputy chairman of the presidium of the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries. In 1986 he became secretary of the All-Union Central Council of Trade Unions [AUCCTU]. In 1989 he became deputy chairman of the AUCCTU. He was chairman of the AUCCTU from April through July 1990. At the CPSU Central Committee July (1990) Plenum he was elected member of the CPSU Central Committee Politburo and secretary of the CPSU Central Committee.

He was elected USSR Vice President at the Fourth Congress of USSR People's Deputies.

He was elected a USSR people's deputy from the USSR trade unions in 1989.

He holds USSR state awards.

PRAVDA Article Condemns Attacks on Soldiers

PM2712132990 Moscow PRAVDA in Russian 27 Dec 90 Second Edition pp 1, 3

[Report by Vasiliy Izgarshev under the rubric "Congress: Day by Day": "Put in a Word for Our Army"]

[Text] Has it not been obvious to you, reader, that we seldom see a deputy in shoulder boards at the congress, on the rostrum, and at the microphone in the auditorium? At any rate less frequently than at previous congresses and at Supreme Soviet sessions. Can you guess why?

A comrade of mine who has nothing to do with the Army answered approximately as follows when I put this question to him. It is a good thing that the military are not speaking from the rostrums, he said. Politics are not their business. Let them get on with their service.

But in our profoundly politicized society not to engage in politics or at least not to be interested in it is simply impossible today. Voices are being heard from both right and left calling for the Army to be depoliticized and for the activity of any parties to be banned in it.

These demands are not that innocuous. Their authors are being cunning, to put it mildly. In actual fact they are demanding not depoliticization but repoliticization. To put it more simply, they are ruthlessly seeking to assert their influence on man with a gun.

As for the demand for "departyization," here too there are no charades. If you discard all verbal ornamentation, it will become obvious that departyization conceals the intention to remove Communists from the Army.

Let us be honest and admit that the Communists in the Army, with their party discipline and adherence to an idea under present conditions, act as the main cementing force which preserves the Army as a combat organism welded together by the commonality of goals and tasks.

And another thing: The international essence of our Armed Forces is particularly brightly manifested now. It is the military who above all are resolutely opposing the Army's separation into national barracks and the creation of armed formations based on the principle of the princes' armed forces of the olden days.

I think that it is here we should seek the main reason for the destructive forces' keen attacks on the Army, the law enforcement organs, and the party.

I know some people will not like these lines. But put yourself in the position of the military. What has happened on our land, where a man in a greatcoat with a red star on his cap band was always surrounded by attention, concern, and love? Tell me, esteemed inhabitants of the Transcaucasus republics, have you had weddings in the border settlements without inviting border guards as guests? Did you have a lot of these weddings?! And what about you, inhabitants of Moldova? And the Baltic inhabitants.

And how could it be otherwise! They are our brothers, fathers, husbands, and children—our armed defenders. Who is the first to respond to human suffering? The Soviet serviceman! So it was when the raging elements descended on people's houses and threatened their prosperity and very lives. Disregarding everything, he saves the harvest, builds roads, erects houses—the military fulfill any assignment with dignity, honor, and selflessness.

Why have we become so hardened that we have forgotten to say a word of thanks to the military? Some people abuse them, and for no reason, both verbally and in writing. In newspapers, on radio, and on television. People in some places have switched from defamation to insults through actions. This year the Armed Forces lost 97 officers. They were killed on the streets. Hooligans crippled 150 officers.

That is what should anger everyone. Where has it ever been heard of for military to die not in war, not in combating the elements, or in defending citizens?

...It is true that our military deputies have begun to speak less frequently from lofty legislative rostrums. But they can be understood. The military man's words, addressed to those above and below him, often, alas, remain without reply or consequences. Is that not the reason

why illegal decisions are taken now here, now there, infringing on the rights of servicemen and the members of their families?

But are those people who in some republics leave the servicemen's families without vouchers and coupons and refuse to supply garrisons with electricity, heating, and water not ashamed of themselves? They demand high payment for teaching the servicemen's children in the local schools. It was pleasant to hear many people's deputies at the congress yesterday resolutely opposing the discrimination that is being displayed against the military in Latvia.

What can be said here? The Army is patient and restrained but these qualities cannot be abused. And we have a wish for the Army and civilian deputies: Do not be embarrassed to say a good word about the Army.

Nishanov Comments on Union Treaty 20 Dec

PM2712110990 Moscow IZVESTIYA in Russian 22 Dec 90 Union Edition p 10

[Report by TASS legislative correspondents V. Danilenko and S. Zharkov: "R. Nishanov News Conference"]

[Excerpt] The USSR exists. That is a reality from which it is necessary to proceed—that was how R.N. Nishanov, chairman of the USSR Supreme Soviet Soviet of Nationalities, answered a question on the acceptability of the well-known "X plus O" formula for the concept of the new Union treaty. The 20 December news conference at the Congress of USSR People's Deputies press center was dedicated to the draft treaty.

The chairman of the chamber stressed that the USSR is a sovereign state with all the institutions of administration, with its components, and international treaty obligations. It is unwise to ignore that. Thus the "X plus O" formula, according to the strictest criteria, is not accepted by anyone.

At the same time he stated that the "departure of some republics from the Union would not be a tragedy." He explained his viewpoint by saying that such a possibility is envisaged by the present Constitution. But this secession must take into account the interests of the people and such a decision may be adopted only by a referendum.

The preparation of the Union treaty does not create a new state—it renews the existing Union. In R.N. Nishanov's opinion, a good model was created in 1922 which was spoiled by what happened afterward. However, he said, "do not throw the baby out with the bath water": One should not destroy the essence of the Union in order to remove the distorted forms of unification, unitarism, and rigid centralism.

R.N. Nishanov also pointed out that all four basic aspects of the Union treaty—political, economic, national, and legal—are of paramount significance. [passage omitted]

Karimov Interviewed During Congress Recess

PM2812153190 Moscow PRAVDA in Russian 20 Dec 90 Second Edition p 2

[Interview with Uzbek President I.A. Karimov by S. Oganyan in the Kremlin Palace of Congresses, date not given: "'There Are More Healthy Forces'"]

[Text] The Kremlin Palace of Congresses is not even empty during the long, two-hour break. Various groups of deputies hold brief but lively conferences, some perch on armchairs and outline their theories of action, but journalists are the ones who really have their work cut out: The long break is the time when they can get deputies on their own. True, not all of them are prepared to talk frankly to journalists. But Islam Abduganiyevich Karimov, USSR people's deputy, member of the CPSU Central Committee Politburo, president of Uzbekistan, and first secretary of the Uzbek Communist Party Central Committee, did not refuse an interview.

[Oganyan] How do you feel about the course of the debate on the USSR president's report?

[Karimov] To some extent, the discussion that developed matched the approach which, on the whole, had been decided beforehand. If we had been more prepared for a discussion on the catastrophic situation in the country, if we had had the opportunity to compare standpoints and even unite them in some respects, if we could have conveyed our views to people's deputies, and if the president could have based his speech on these common approaches, the debate would have proceeded in a different, more constructive atmosphere, in my view. Unfortunately, that did not happen. The president expressed his point of view but deputies were not ready for it. That is why the discussion was not very productive.

[Oganyan] What do you think about the congress' acknowledgement of Union republics' declarations of sovereignty?

[Karimov] I do not know how discussion of the Union treaty concept will progress, but I do not think we can start on this issue without first assessing declarations of sovereignty. I feel it would be right for the congress to make a fundamental assessment of these declarations—then we would be free of things unsaid and, most important of all, we would be aware of standpoints that could bring us closer together. The main thing as far as I am concerned is to seek points of contact in the present situation and learn to adequately assess reality. To put it more simply, our problem is that we often procrastinate. We still have to learn to keep one step ahead of events, predict them, and come up with real suggestions in advance....

[Oganyan] Are you optimistic about the Union's future?

[Karimov] Can a man who carries the weight of responsibility for 20 million of his fellow citizens—the population of Uzbekistan—be a pessimist?! I do not have the right to be a pessimist. I believe we must find a way out of the situation. And find a way out we will. The only question is: When? Are we going to have enough will not to go as far as disintegration and remain in a united Union or, on the contrary, are we going to witness cataclysms that will set us back years? That would cost us very much.

[Oganyan] What worries you most of all at the moment?

[Karimov] Mainly the deliberate political confrontation and mutual rejection of standpoints—even suspicion of one another. I find the mistrust of the republics particularly distressing: This road will lead to no good. It is wrong not to trust the leaders of the republics and to think that their demands are mere whims and their arguments farfetched. That is not true. They reflect the real situation in the republics. We will achieve a great deal if we think alike and if we cooperate and unite on this basis. I am sure there are more healthy forces in the Union—and that includes those who are now taking a radical standpoint. I have no doubt that, in the face of the extremely serious ordeals which await the country, everyone who is not indifferent to the future of their peoples will be able to unite and reach a consensus. I am convinced of that.

Azerbaijan's Mutalibov Interviewed on Treaty

PM2712164490 Moscow PRAVDA in Russian
26 Dec 90 Second Edition p 1

["Lightening Interview" with Azerbaijan President Mutalibov by PRAVDA correspondent Yu. Baksheyev; date and place not given: "Ayaz Mutalibov: 'The People Support the Union'"]

[Text] Yesterday, the congress adopted a resolution on the overall concept of the new Union treaty. However, discussion of its principles is going on both in the hall and in the corridors. There is no doubt that it is a vitally important question: What form will the Union take? PRAVDA's correspondent discussed this with Ayaz Niyazi ogly Mutalibov, member of the CPSU Central Committee Politburo and president of the Azerbaijan SSR [Soviet Socialist Republic].

[Baksheyev] What is your attitude toward the concept of the Union treaty?

[Mutalibov] Generally positive. It is necessary to maintain our community within the framework of the Union because other approaches are fraught with very serious consequences, above all for the people. There must be no place here for emotions.

Today the ideas for giving substance to the sovereignty of the Union republics have taken root, as they say, among the masses. That is why it is wrong to consider the future Union and Union treaty as some kind of reconstruction of the principles which have existed up to now. I suggest that we give the republics maximum freedom of action in the economic sphere. My solution would be as follows: The Union republics must have the full right to cooperate with each other and also real opportunities to establish economic links outside the Union. If the republics learn to use their natural resources rationally, and if there is peace and they can solve their problems themselves with an understanding of their responsibilities to their peoples, then that will benefit the whole Union.

Upon analyzing the period that has passed, I am convinced that conducting the national economy in an abstract manner within the framework of a system of centralized management deprives the components of the federation of the feeling of responsibility and ownership. Here we say that privatization will provide the opportunity to revive that lost feeling of proprietorship. This applies to the collective and to each member of society. But the same can be said in relation to the republics. We were constantly being reproached: you are acting according to feelings of dependence; there should be no more asking for things. In the recent past we were always hearing this. But now that the republics want to take their fate into their own hands, it is perceived by some as a form of separatism. It is nothing of the sort!

[Baksheyev] So how do you see the center?

[Mutalibov] The center and its powers must only be defined after talks with each republic, and we have acknowledged this fact. Each republic has a different vision of these powers and the division of powers, and this is only natural. But there are powers which, of course, will be delegated to the center by all the republics. Namely defense questions, the implementation of a united foreign policy, ecological problems. In all remaining spheres, the republics' sovereignty must be upheld absolutely.

In many republics the people support the Union. However, their view on the division of powers is somewhat different. At times this gives rise to misunderstandings. But the principle under discussion is one and the same: We are in favor of a qualitatively new, revitalized Union where each component of the new federation will feel itself to be a sovereign state. A state which is genuinely sovereign and not just proclaimed to be so, as in the past.

Supreme Soviet

Supreme Soviet Issues Decree on Banking Laws

914A0222A Moscow IZVESTIYA in Russian
19 Dec 90 Union Edition p 4

[Decree signed by A. Lukyanov, chairman of the USSR Supreme Soviet, in the Kremlin, Moscow on 11 December: "Decree of the USSR Supreme Soviet on the

Implementation of the USSR Law 'On the USSR State Bank' and the USSR Law 'On Banks and Banking Activities'"]

[Text] The Supreme Soviet decrees:

1. To implement the USSR law "On the USSR State Bank" and the USSR law "On Banks and Banking Activities" as of the moment they are published.

2. Pending the drafting of legislation of the USSR and Union and autonomous republics in accordance with the USSR laws "On the USSR State Bank" and "On Banks and Banking Activities," legislative acts which concern banks and banking activities will apply to the extent they do not contradict these laws.

3. Banks in the USSR which are registered by the USSR State Bank as commercial and cooperative banks, as of the date of the implementation of the aforementioned laws, are considered empowered to conduct operations in accordance with the USSR law "On Banks and Banking Activities."

Licenses to conduct operations with foreign currency given out by the USSR State Bank and the USSR Bank for Foreign Economic Relations are considered valid within the dates established by the licenses.

4. To consider it necessary to complete the formation of the Central Council of the USSR State Bank by 1 March 1990. Pending the beginning of its operations, general leadership of the system of central banks regarding the execution of the reserve system's functions is carried out by the Board of the USSR State Bank.

5. The USSR Savings Bank remains in the possession of the USSR. The transfer of institutions of the USSR Savings Bank into the possession of the republics and the formation on their basis of republic savings banks independent of the USSR Savings Bank may take place under conditions of the acceptance by the republics of a portion of the state debt, which is financed using those funds of the population deposited in the appropriate territory.

6. During the transition period, the following are necessary for bringing banking structures, forms, and methods of operations of banks into accordance with the requirements of the aforementioned laws:

a) individual economic norms are established for the USSR Bank for Foreign Economic Relations, the USSR Industrial Construction Bank, and the USSR Savings Bank;

b) beginning in 1991, the growth in the population's deposits in institutions of the USSR Savings Bank situated on the territory of the republic are used for goals defined in Article 38 of the USSR law "On Banks and Banking Activities" and in correspondence with the central bank of that republic;

c) licenses for conducting banking operations are distributed to foreign banks and banks with the participation of foreign capital by the USSR State Bank. The Central Council of the USSR State Bank grants the central banks of the republics the right to distribute licenses to the aforementioned banks after they have created the necessary conditions necessary;

d) the interest rates for credit operations established by the USSR State Bank beginning 1 November 1990 in the execution of paragraph 5 of the USSR presidential law "On Increasing the Incentive for Citizens to Keep Their Savings in Institutions of the USSR Savings Bank" are valid for no more than six months from the indicated date.

7. For the USSR Council of Ministers:

a) to take measures to regulate the liabilities of the USSR Ministry of Finances to the USSR State Bank and other banks by 31 December 1991;

b) to ensure the transfer from the balance sheet of the USSR Ministry of Finances to the balance sheet of the USSR State Bank of the gold reserve necessary for the creation of a stabilized monetary fund of the state;

c) to ensure the transfer during 1991 of hard-currency reserves to the administration of the USSR State Bank in accordance with Article 26 of the USSR law "On the USSR State Bank." Investment of these reserves on international markets on instructions from the USSR State Bank is carried out by the USSR Bank for Foreign Economic Relations in its own name;

d) to reserve for the USSR Bank for Foreign Economic Relations the powers of agent of the state for attracting foreign credits and attending to them and for investing the hard-currency reserves of the state. For the USSR Bank for Foreign Economic Relations to be guided in this by the rulings of the Union-Republic Hard-Currency Committee. To remove the USSR Bank for Foreign Economic Relations from the jurisdiction of the State Foreign Economic Commission of the USSR Council of Ministers, preserving for it the functions that are stipulated in its regulations, and to take measures to gradually transform the USSR Bank for Foreign Economic Relations into a joint-stock commercial bank with regard for relations between its status and conditions of credit agreements concluded by it and foreign states.

e) jointly with the councils of ministers of the republics, to take measures to ensure liquidation of foreign credits attracted by the USSR Bank for Foreign Economic Relations in accordance with the decision of the USSR Council of Ministers and of credits granted to the USSR Bank for Foreign Economic Relations in accordance with such decisions of foreign and Soviet organizations, and to sign over to the USSR Ministry of Finances loans of the USSR Bank for Foreign Economic Relations denominated in rubles in conjunction with Soviet export deliveries which have been deferred by decision of the USSR Council of Ministers;

f) to entrust the USSR Industrial Construction Bank with the functions of state agent for advancing loans with the support of the budget to major programs at the all-Union level. In accordance with paragraph 1 of Article 10 of the USSR law "On Banks and Banking Activities," to take measures to transform the USSR Industrial Construction Bank into a joint-stock commercial bank by 31 December 1991.

g) jointly with the USSR State Bank, to provide for the creation by the end of 1991 of a comprehensive program of data input and computerization of the banking system in the USSR using satellite channels of communication and enlisting the appropriate ministries and departments for execution of this program;

h) by 1 March 1991 to bring the rulings of the USSR Government into correspondence with the USSR law "On the USSR State Bank" and the USSR law "On Banks and Banking Activities";

i) to ensure review and repeal by ministries, state committees, and departments of the USSR of normative acts contradicting the aforementioned laws of the USSR;

j) to provide for the creation of normative acts concerning a procedure for carrying out banking operations via investment, pension, and insurance funds, broker and leasing firms, and other specialized institutions performing individual types of such operations.

8. For the USSR State Bank:

a) by 1 March 1991 to determine a procedure and sphere of application for foreign currency and payment documents in rubles and foreign currency on the territory of the USSR;

b) by 31 December 1991 to provide for the creation of audit organizations to inspect the activities of commercial banks. Pending creation of a sufficient quantity of audit organizations, execution of their functions is carried out by the auditing service of the central banks of the republic or the USSR State Bank;

c) to ensure review and repeal of normative acts of the USSR State Bank contradicting the aforementioned USSR laws.

9. For the USSR Council of Ministers and the USSR State Bank to present the USSR Supreme Soviet by 1 March 1991 with proposals on bringing legislative acts of the USSR into correspondence with the USSR laws "On the USSR State Bank" and "On Banks and Banking Activities."

10. To recommend that the supreme soviets of the Union and autonomous republics bring the legislative acts of the Union and autonomous republics into correspondence with the USSR laws "On the USSR State Bank" and "On Banks and Banking Activities."

11. To create in the Secretariat of the USSR Supreme Soviet a Department on Banks and Securities to give the USSR Supreme Soviet practical aid in carrying out the functions proceeding from the USSR laws "On the USSR State Bank" and "On Banks and Banking Activities" and in monitoring execution of these laws.

[Signed] A. Lukyanov, chairman of the USSR Supreme Soviet.

Moscow, the Kremlin, 11 December 1990.

State Bank Law Published

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["USSR Law On the USSR State Bank"—IZVESTIYA headline]

[Text]

CHAPTER I. GENERAL PROVISIONS

Article 1. **The USSR State Bank**
The USSR State Bank (USSR Gosbank) is the central bank of the country.

Article 2. **The USSR State Bank and the Central Banks of the Republics Are a Unified System**

1. The USSR Gosbank along with the central (state, national) banks of the Union and autonomous republics (henceforth called "central republic banks") and their institutions form a unified system of central banks based on a common monetary unit and performing the functions of a reserve system.

2. The highest organ for management of the system of central banks with respect to performance of the functions of the reserve system is the Central Council of the USSR Gosbank (henceforth called "Central Council").

Instructions from the USSR Gosbank related to the implementation of decisions of the Central Council are mandatory for all banks on the territory of the USSR.

3. The activity of the USSR Gosbank and the central republic banks involved in performing the functions of the reserve system are regulated by the present Law.

The activity of the central republic banks beyond the framework of the reserve system is regulated by bank legislation of the republics.

Article 3. **The USSR Gosbank is a Corporate Body**

1. The USSR Gosbank is a corporate body.

2. The USSR does not bear responsibility for the commitments of the USSR Gosbank with the exception of cases in which it takes on this responsibility itself.

3. The USSR Gosbank represents the interests of the USSR in relations with the central banks of other countries, in international banks, and in other finance and credit organizations where interstate cooperation is carried out at the level of the central banks of the country.

4. The USSR Gosbank has regulations which are approved by the Central Council.

Article 4. **Basic Tasks of the USSR Gosbank and the Central Republic Banks**
The basic tasks of the USSR Gosbank and the central republic banks as a unified system are:

a) providing for stability of the common monetary unit;

b) conducting a unified state policy in the area of credit, monetary circulation, settlements, and currency relations;

c) protecting the interests of the creditors and bank depositors on the basis of determining rules common to

all republics for regulation of the activity of commercial banks and monitoring their observance;

d) contributing to the development of the economy, the creation of a unified USSR market, and its integration into the world economy.

Article 5. **Basic Functions of the Reserve System. Interaction Between the USSR Gosbank and the Central Republic Banks**

1. The USSR Gosbank and the central republic banks perform the following functions within the framework of the reserve system:

a) carry out emission of money and organize its circulation;

b) are the creditor of last resort for commercial banks;

c) organize settlements among banks;

d) service the state debt of the USSR and the republics;

e) conduct operations on the securities market with the Union budget and the budgets of the republics, and buy and sell foreign currency on the free market envisioned by the present Law for the USSR Gosbank and the central republic banks;

f) issue licenses to commercial banks for conducting banking operations and operations in foreign currency;

g) monitor the activity of commercial banks.

2. The USSR Gosbank and the central republic banks, working together to carry out the functions of the reserve system, act as organic units of the unified system in which the commitments of one bank are the commitments of all the other banks. Regulation of their current activity is provided by the Central Council on the basis of the tasks indicated in Article 4 of the present Law, in keeping with the economic expediency and the demands for the rational organization of banking.

Article 6. **Accountability of the USSR Gosbank**

1. The USSR Gosbank is accountable to the USSR Supreme Soviet and is independent of executive and administrative organs of state power.

2. The activity of the USSR Gosbank may be inspected by the corresponding committee of the USSR Supreme Soviet or, on its instructions, by an audit organization.

Article 7. **Charter Capital and Funds of the USSR Gosbank**

1. The charter capital of the USSR Gosbank is 1.2 billion rubles [R].

2. The USSR Gosbank may create special funds envisioned by its regulations.

Article 8. **Distribution of Consolidated Profit of the USSR Gosbank**

1. The USSR Gosbank and the central republic banks are exempted from the payment of all kinds of taxes fees, and state customs.

2. The consolidated profit of the USSR Gosbank is formed as a result of the performance by the USSR Gosbank and the central republic banks of the functions of the reserve system.

3. The consolidated profit of the USSR Gosbank after the augmentation of funds envisioned by its regulations and the regulations of the central republic banks is transferred no less frequently than once a year in equal amounts (thirds) to:

a) the Union budget;

b) the budgets of the republics in proportion to the amount of their gross national products;

c) the budgets of the republics in proportion to their population.

4. The profit of the central republic banks not related to the performance of functions of the reserve system is distributed according to the procedure established by republic legislation.

Article 9. **Reports of the USSR Gosbank**

1. The USSR Gosbank annually submits to the USSR Supreme Soviet no later than 15 April a report on its work, a summary (consolidated) balance and profit and loss statement, including operations of the central republic banks related to performance of the functions of the reserve system.

The consolidated balance and profit and loss statement of the USSR Gosbank must be certified by an auditing organization.

2. Each quarter the USSR Gosbank publishes the summary (consolidated) balance and figures characterizing the condition of the country's monetary circulation.

CHAPTER II. THE USSR MONETARY SYSTEM

Article 10. **The USSR Monetary Unit**

1. The official monetary unit of the USSR is the ruble. One ruble consists of 100 kopeks.

2. The official ratio between the ruble and gold or other precious metals has not been established.

Article 11. **Means of Payment**

1. The ruble is the only legal means of payment throughout the entire territory of the USSR.

2. The kinds of payment documents in rubles circulating on the territory of the USSR are determined by the USSR Gosbank.

3. The use of foreign currency and also any payment documents in foreign currency on the territory of the USSR are allowed only with the permission of the USSR Gosbank, which determines the procedure and the sphere of their circulation.

4. Normative acts of the USSR Gosbank regulating the procedure and sphere of circulation of foreign currency and payment documents in rubles and foreign currency are mandatory for execution throughout the entire territory of the USSR.

Article 12. **Emission of Cash (Banknotes)**

1. The USSR Gosbank has the exclusive right to put money into circulation and withdraw it from circulation in keeping with the functions of the reserve system.

2. The emission of money is carried out in the form of bank bills (banknotes) of the USSR Gosbank and metal coins.

Banknotes and coins are unconditional obligations of the USSR Gosbank and are backed by its assets.

3. The value (denomination) of banknotes and metal coins and their distinguishing features are determined by the USSR Gosbank.

Article 13. **Organization of Circulation of Banknotes**

1. The circulation of banknotes is organized by the USSR Gosbank and central republic banks.

2. The USSR Gosbank:

a) determines the procedure for conducting cash operations in the national economy;

b) organizes the manufacture of banknotes and metal coins;

c) establishes the rules for transportation, storage, and receipt of cash money;

d) provides for the creation of reserve supplies of banknotes and metal coins;

e) establishes the symbols and procedure for determining the value of banknotes and also the procedure for replacing damaged banknotes and coins and for destroying them.

CHAPTER III. MONETARY-CREDIT REGULATION

Article 14. **Control of Monetary Circulation**

1. Control of monetary circulation in the country is provided by the USSR Gosbank and the central republic banks in keeping with the functions of the reserve system on the basis of the Basic Directions of the Unified State Monetary and Credit Policy through regulation of the volume and structure of the monetary mass in circulation, consisting of cash money in circulation, monetary funds in accounts, and deposits of corporate bodies and citizens, and other unconditional monetary obligations of the banks.

2. The basic economic methods for regulating the monetary mass in circulation are:

a) determining the volume of credit granted by the USSR Gosbank and the central republic banks to commercial banks;

b) buying and selling securities and foreign currency;

c) determining the norms of mandatory reserves deposited by commercial banks in the USSR Gosbank and the central republic banks;

d) determining the interest rates on credit granted by the USSR Gosbank and the central republic banks to the commercial banks.

Article 15. **Basic Directions of the Unified State Monetary-Credit Policy**

The Basic Directions of the Unified State Monetary-Credit Policy are approved by the USSR Supreme Soviet each year along with the state plan and the budget.

The Basic Directions of the Unified State Monetary-Credit Policy include:

a) analyzing and predicting the economic market conditions in connection with the indicators of the social and economic development of the country and republics and the Union and republic budgets;

b) determining the economically substantiated maximum limits of monetary mass in circulation;

c) the basic directions of the interest and currency policy;

d) the main methods of monetary-credit regulation.

The draft of the Basic Directions of the Unified State Monetary-Credit Policy is prepared by the USSR Gosbank in conjunction with the central banks of the republics in cooperation with the USSR Government and the governments of the republics.

Article 16. **Regulation of the Level of Interest Rates**

The USSR Gosbank provides for regulation of the level of bank interest rates in the country through changing the rates for credit granted by the USSR Gosbank and the central republic banks.

Article 17. **Temporary Measures for Restricting the Monetary Mass in Circulation**

1. In the event that the maximum limits of monetary mass are regularly exceeded and there is inflationary growth of prices, if it is impossible to halt these processes by economic methods of regulation envisioned in Article 14 of the present Law, the Central Council may take additional measures by restricting the volume of credit investments of commercial banks and establishing limits on the change in interest rates for their asset and liability operations as well as limits on commissions of commercial banks. These measures may be conducted in a differentiated way depending on the type of bank, the kind of credit, the branch, and the region.

2. Temporary measures to limit the monetary mass in circulation are introduced on the basis of the Basic Directions of the Unified State Monetary-Credit Policy or independently by the Central Council. In the latter case they are introduced for a period of up to six months. This time period may be extended by the USSR president with subsequent approval by the USSR Supreme Soviet.

Article 18. **Regulation of the Exchange Rate of the Ruble With Respect to Other Monetary Units of Foreign States**

The USSR Gosbank regulates the exchange rate of the ruble with respect to monetary units of foreign states through the establishment of official exchange rates and the performance of operations for selling and buying foreign currency for rubles on the free currency market.

CHAPTER IV. OPERATIONS OF THE USSR GOSBANK AND THE CENTRAL REPUBLIC BANKS WITHIN THE FRAMEWORK OF THE UNIFIED SYSTEM

Article 19. **Operations With Banks**

The USSR Gosbank and the central republic banks have the right:

a) to grant commercial banks credit for a period agreed upon by the buyer;

b) to buy, sell, and conclude other transactions with notes and checks that have the signatures of three

individuals who are known to be solvent and who agree to make payment within three months of the date of purchase;

c) to buy, store, and sell state securities;

d) to grant credit for a period not to exceed three months, with the pledge of:

bonds meeting the requirements of point "b" of the present article in amounts not exceeding 90 percent of their nominal value;

e) to buy and sell foreign currency and payment documents in foreign currency from Soviet and foreign banks.

Article 20. **Operations on the Securities Market**
In order to regulate monetary circulation, the USSR Gosbank and the central republic banks may buy and sell at retail prices bonds that meet the requirements of point "b" of Article 19 of the present law and state securities.

Article 21. **Operations With the Union Budget and the Republic Budgets**
The USSR Gosbank and the central republic banks may grant the USSR Ministry of Finance and the finance ministries of the republics credit under general conditions within the limits of indebtedness established by the USSR Supreme Soviet.

Within this limit the USSR Gosbank and the central republic banks may buy state securities from the USSR Ministry of Finance and the finance ministries of the republics for subsequent distribution. In exceptional cases the USSR president may permit short-term credit for a limited sum in excess of the established limit with subsequent approval by the USSR Supreme Soviet.

Article 22. **Service of the State Debt**
The USSR Gosbank and the central republic banks service the state debt of the USSR and republics by conducting operations for distributing state loans, repaying them, and paying interest on them.

Article 23. **Cash Provision for the Union Budget and the Republic Budgets**
The USSR Gosbank and the central republic banks provide cash for the Union budget and the republic budgets through their institutions and commercial banks.

Normative acts of the USSR Gosbank concerning questions of providing cash for the budgets are coordinated with the USSR Ministry of Finance and are mandatory for execution by all banks on the territory of the USSR.

Article 24. **Organization of Payments Among Banks**
The USSR Gosbank and the central republic banks organize payments among commercial banks with corresponding accounts opened by these banks in the USSR Gosbank and the central republic banks or by other means that are applicable to commercial banks.

Article 25. **Operations in Foreign Currency**
The USSR Gosbank and the central republic banks have the right to conduct any operations in foreign currency in the USSR and abroad which are in keeping with USSR legislation and are used in international banking practice.

Article 26. **Control of Gold Reserves of the USSR Gosbank**
The USSR Gosbank controls the gold currency reserves on the balance of the USSR Gosbank which back its obligations.

Operations for distribution and storage of these reserves are conducted by the USSR Gosbank independently or through authorized banks and organizations.

CHAPTER V. REGULATION BY USSR GOSBANK AND THE CENTRAL REPUBLIC BANKS OF ACTIVITY OF COMMERCIAL BANKS IN THE USSR

Article 27. **Principles for Relations Between USSR Gosbank and the Central Republic Banks With Commercial Banks**
The USSR Gosbank and the central republic banks, through their activity, contribute to the creation of general conditions for the functioning of commercial banks and the introduction of principles of conscientious banking competition.

The USSR Gosbank and the central republic banks do not intervene in the current activity of the commercial banks. Regulation and audit functions of the USSR Gosbank and the central republic banks are restricted to the limits of the present law and are directed toward maintaining stability of the monetary-credit system and protecting the interests of the bank creditors and depositors.

Article 28. **Issuance of Licenses for Conducting Banking Operations. The Union Registration Book of Commercial Banks**

1. Licenses for conducting banking operations are issued by central republic banks according to the procedure envisioned by the USSR Law "On Banks and Banking Activity."

Licenses for conducting banking operations are issued to Union commercial banks by the USSR Gosbank.

2. The USSR Gosbank keeps a Union book for registration of commercial banks.

Article 29. **Issuance of Licenses for Conducting Operations in Foreign Currency**
The USSR Gosbank and the central republic banks issue licenses to commercial banks for conducting operations in foreign currency in the USSR and abroad in keeping with the rules established by the USSR Gosbank.

The USSR Gosbank may introduce restrictions for commercial banks on the volumes of credit from abroad in keeping with the statewide policy for controlling the foreign debt.

Article 30. **Authority of the USSR Gosbank for Determining the Policy for Forming Insurance and Reserve Funds**
The USSR Gosbank determines the policy for forming from the profit of commercial banks insurance and reserve funds intended to cover possible losses.

Article 31. **Economic Normatives Established for Commercial Banks**
The USSR Gosbank establishes for commercial banks the following economic normatives:

a) the minimum amount of the charter capital;

b) the maximum ratio between the amount of the bank's own funds and the sum of its assets;

c) indicators of liquidity of the balance;

d) the amount of mandatory reserves distributed in the USSR Gosbank and the central republic banks;

e) the maximum amount of risk per one borrower;

f) maximum amounts of currency, interest, and exchange rate risks.

Article 32. **Maximum Ratio Between Amount of the Bank's Own Funds and the Sum of Its Assets**
The maximum ratio between the amount of the bank's own funds and the sum of its assets is determined according to methods established by the USSR Gosbank.

Article 33. **Indicators of the Liquidity of the Balance**
The USSR Gosbank establishes the indicators of the liquidity of the balance of the commercial bank in the form of the normative ratio between the bank's assets and obligations, taking into account the deadlines for their repayment and also the possibilities of realizing assets.

Article 34. **The Amount of Mandatory Reserves**
The USSR Gosbank establishes the amount of mandatory reserves kept in the USSR Gosbank and the central republic banks in percentages of all the obligations of the commercial bank or some part of them.

Commercial banks maintain a residual of funds in reserve accounts in the USSR Gosbank and the central republic banks in amounts established by the mandatory reserve requirements.

Funds in the reserve accounts may not be used for the credit operations of the commercial banks.

Article 35. **Maximum Amount of Risk Per One Borrower**
The USSR Gosbank establishes the maximum amount of risk for one borrower in percentages of the overall sum of the bank's own funds. The calculation of the risk includes the entire sum of investments and credit for the given borrower and also guarantees, bails, and other obligations issued on his instructions.

Article 36. **Maximum Amounts of Currency, Interest, and Exchange Rate Risks**
The USSR Gosbank limits for commercial banks the maximum sum of imbalance of various kinds of assets and liabilities in their currency or interest structure.

CHAPTER VI. ACCOUNTING AND REPORTING OF BANKS. CONTROL OF THE USSR GOSBANK AND THE CENTRAL REPUBLIC BANKS OVER THE ACTIVITY OF COMMERCIAL BANKS

Article 37. **Rules for Bookkeeping in Banks**
The USSR Gosbank establishes the rules for bookkeeping in all banks.

Article 38. **Reports and Information Submitted by Commercial Banks**
The USSR Gosbank in conjunction with the central republic banks establishes for the commercial banks the volume and forms of reports and other information materials necessary for performing their analytical functions.

Article 39. **Control Functions of the USSR Gosbank and the Central Republic Banks**
1. The USSR Gosbank and the central republic banks exercise control over the observance of banking legislation by commercial banks.
2. The USSR Gosbank and the central republic banks may assign a complete or selective inspection of the operations of commercial banks.

Inspection of the activity of the commercial banks is conducted by the inspection services of the USSR Gosbank and the central republic banks or, on their instructions, by audit organizations.

Article 40. **The Authority of the USSR Gosbank and the Central Republic Banks to Eliminate Violations of Banking Legislation**
1. Upon discovery of a violation of banking legislation by a commercial bank the USSR Gosbank or republic central bank issues mandatory instructions for it to eliminate the violations within a certain period of time.
2. In cases where the commercial bank regularly fails to observe economic normatives or fails to follow the instructions of the USSR Gosbank and the central republic banks with respect to time periods and conditions for eliminating violations, the failure to submit or the submission of unreliable reports, operating at a loss, or the appearance of a situation that threatens the interests of the depositors and creditors of the bank, the USSR Gosbank or the central republic bank may:

a) raise before the founders (participants) of the commercial bank the question of conducting measures for financial improvement of the bank (increasing its own funds, changing the structure of assets, and others) or the reorganization or elimination of the bank;

b) apply a sanction in the form of:

a monetary fine in the amount of the additional income received as a result of improper actions on the part of the bank;

a higher norm for mandatory reserves;

the appointment of a temporary administration for controlling the bank for the period necessary for its financial rehabilitation;

revocation of the license for conducting banking operations.

Article 41. **Procedure for Resolving Disputes**
Decisions made by the USSR Gosbank and the central republic banks by way of performing their functions of licensing and control may be disputed by the commercial banks or their founders in court or by state arbitration in their jurisdiction.

CHAPTER VII. ORGANIZATION OF ADMINISTRATION OF THE USSR GOSBANK AND THE CENTRAL REPUBLIC BANKS

Article 42. **Authority of the Central Council**
The Central Council as the highest organ of administration of the USSR Gosbank and the central republic banks resolves all fundamental issues in the activity of the unified system of central banks, including:

a) it accepts the draft of the Basic Directions of the Unified State Monetary and Credit Policy;

b) it determines the volumes and kinds of operations of the USSR Gosbank and the central republic banks with commercial banks, on the securities market, on the free currency market, and with the Union budget and republic budgets;

c) it establishes interest rates for operations of the USSR Gosbank and the central republic banks with commercial banks, the Union budget, and the budgets of the republics;

d) it approves normatives for mandatory reserves for commercial banks which are kept in the USSR Gosbank and the central republic banks, and other economic normatives regulating the activity of banks in the USSR;

e) it takes measures to restrict credit investments and interest rates for operations of commercial banks when it is impossible to halt inflationary processes by economic methods of monetary-credit regulation.

f) it determines the kinds of payment documents in rubles and foreign currency that are circulating on the territory of the USSR and also the procedure for using foreign currency on the territory of the USSR and the sphere of its circulation;

g) it establishes the rules under which the USSR Gosbank and the central republic banks conduct operations in foreign currency;

h) it introduces restrictions for commercial banks on the volume of credit attracted from abroad;

i) it considers the report on the work of the USSR Gosbank and the annual summary (consolidated) balance and profit and loss statement;

j) it appoints deputy chairmen of the USSR Gosbank (except the first deputy) and members of the board of the USSR Gosbank;

k) it approves the estimate of expenditures of the USSR Gosbank;

l) it approves the regulations of the USSR Gosbank;

Article 43. **The Composition of the Central Council and the Procedure for Its Formation**

1. The Central Council consists of 12 members:

a) The chairman of the USSR Gosbank and his first deputy, who are appointed by the USSR Supreme Soviet at the suggestion of the president of the USSR for a period of six years;

b) ten members of the Central Council from among representatives of central banks or other authorized representatives of republics appointed by the USSR president at the suggestion of the USSR Council of the Federation with subsequent approval by the USSR Supreme Soviet for a period of four years.

2. The chairman of the USSR Gosbank, his first deputy, and members of the Central Council may be relieved of their duties by the USSR Supreme Soviet only at their personal request and also in cases of illness or when they are incapable of performing their duties.

Article 44. **The Consultative Organ of the Central Council**

1. Representatives of the central banks of the republics may work in a consultative organ of the Central Council—the Council for the Monetary-Credit Policy.

2. The functions of the Council for the Monetary-Credit Policy and also the procedure for its work are determined by the Central Council.

Article 45. **The Procedure for the Work of the Central Council**

1. Meetings of the Central Council are conducted no less frequently than once every three months.

By a decision of the chairman of the USSR Gosbank or at the demand of no less than three members of the Central Council, extraordinary meetings of the Central Council may be held.

2. A meeting of the Central Council is considered authorized if no less than two-thirds of its members participate in it.

The chairman of the USSR Gosbank is in charge of meetings of the Central Council, and in his absence—the first deputy chairman of the USSR Gosbank.

3. Decisions of the Central Council are adopted, as a rule, by a simple majority of votes of members in attendance at the meeting. Adoption of decisions on questions envisioned by Articles 14 and 17 of the present Law requires a majority of two-thirds of the votes of members of the Central Council in attendance at the meeting.

4. The Central Council may invite to its meetings representatives of central banks of the republics who are not included on it but have an advisory vote.

Article 46. **The Board of the USSR Gosbank**

1. The board of the USSR Gosbank is a permanent executive organ of the Central Council and the management organ of the USSR Gosbank.

2. The Board of the USSR Gosbank:

a) prepares materials for meetings of the Central Council;

b) develops the draft of the Basic Directions of the Unified State Monetary-Credit Policy and draws up the annual report of the USSR Gosbank and the summary (consolidated) balance and profit and loss statement;

c) prepares normative acts and other instructions to implement decisions of the Central Council and interacts with central republic banks in performing the functions of the reserve system;

d) organizes economic research and prepares methodological developments in the area of banking and develops proposals for improving the activity of banks in the USSR;

e) provides for interaction between the USSR Gosbank and the USSR organs of state power and management, central banks of foreign countries and international currency-financial organizations;

f) provides leadership of the current activity of the USSR Gosbank.

3. The board of the USSR Gosbank includes the chairman of the USSR Gosbank, his deputies, and members of the board.

Article 47. **The Chairman of the USSR Gosbank**

1. The chairman of the USSR Gosbank:

a) conducts meetings of the Central Council and attaches his signature to its decisions;

b) submits to the USSR Supreme Soviet a draft of the Basic Directions of the Unified State Monetary-Credit Policy and the annual report of the USSR Gosbank;

c) publishes normative acts and other instructions to implement decisions of the Central Council;

d) revokes instructions of central republic banks on performing the functions of the reserve system which contradict the present Law or decisions of the Central Council;

e) represents the USSR Gosbank in the country and abroad;

f) directs the work of the board of the USSR Gosbank.

2. In the absence of the chairman of the USSR Gosbank, his functions are performed by his first deputy.

[signed] President of the Union of Soviet Socialist Republics, M. GORBACHEV
Moscow, the Kremlin, 11 December 1990.

Banks, Banking Activity Law

914A0221A Moscow IZVESTIYA in Russian
19 Dec 90 Union Edition pp 3, 4

[USSR Law: "On Banks and Banking Activity"]

[Text]

CHAPTER I. GENERAL PROVISIONS

Article 1. **The Concept of a Bank**

A bank is an institution created to attract monetary funds and distribute them on its own behalf under conditions whereby they are to be repaid, at a fee, and for specific periods of time.

A bank is a corporate body.

Article 2. **Banking Operations**

1. Banks accept and distribute monetary deposits, attract and grant credit, and keep accounts on instructions from clients and associated banks and their teller services.

Banks may also perform other operations which do not contradict legislation and are envisioned by their charters, particularly all or some of the following:

a) keeping accounts of clients and associated banks;

b) financing capital investments on instructions from owners and distributors of invested funds;

c) issuing payment documents and other securities (checks, letters of credit, promissory notes, shares, bonds, and others);

d) buying, selling, and storing state payment documents and other securities and conducting other operations with them;

e) issuing instructions, guarantees, and other obligations for third parties who stipulate that they are to be executed in monetary form;

f) acquiring the right to make claims from the delivery of goods and the rendering of services, taking risks in pressing these claims and collecting on these claims (factoring);

g) buying foreign currency from organizations and citizens and selling it to them;

h) buying and selling precious metals, natural precious stones, and also items made of precious metals and precious stones in the USSR and abroad;

i) attracting and distributing precious metals for accounts and deposits and other operations with these valuables in keeping with international banking practice;

j) conducting commission operations (attracting and distributing funds, controlling securities, and so forth) on instructions from clients;

k) rendering consultative services related to banking activity.

Operations envisioned by the present article may be conducted both in rubles and in foreign currency.

2. Banks must conduct operations for providing cash for the Union budget and the budgets of the republics on instructions from the USSR State Bank and the central banks of the republics.

3. Banks are prohibited from conducting activity in the sphere of material production and trade in material values and also in all kinds of insurance.

Article 3. **Firm Name**

The term "bank" or other phrases that use this term may be used in the firm name or for advertising purposes only by institutions that have the right to conduct banking operations in keeping with the present Law.

Article 4. **Delimitation of the Responsibility of the State an the Banks**

Banks in the USSR are not liable for the commitments of the state and the state is not liable for the commitments of the banks except for cases envisioned by the present Law and other legislative acts of the USSR and the republics, and in cases in which the banks or the state take on that liability.

Article 5. **The USSR Banking System**
The USSR banking system includes:

a) The USSR State Bank (USSR Gosbank) and central (state, national) banks of the Union and autonomous republics (henceforth called "central banks of the republics") and their institutions.

The activity of the USSR Gosbank is regulated by the USSR Law "On the USSR State Bank." The activity of the central banks of the republics is regulated by laws of the republics concerning these institutions and for questions related to the performance of functions of the reserve system, also by the USSR Law "On the USSR State Bank."

Provisions of the present Law are applied to the USSR Gosbank and the central banks of the republics only in cases directly envisioned by this Law:

b) commercial banks.

The activity of commercial banks is regulated by the present Law and other laws of the USSR and republics published in keeping with it.

Banking activity with the participation of foreign capital and banks whose charter capital belongs completely to foreign participants (henceforth called "foreign banks") and also branches of banks of foreign countries are regulated, in addition to the present Law, by legislative acts of the USSR and the republics concerning foreign investments in the USSR.

Article 6. **Commercial Banks and Their Varieties**

1. Commercial banks conduct under contractual conditions credit-accounting and other banking service for corporate bodies and citizens through the performance of operations and the rendering of services envisioned by Article 2 of the present Law.

2. Commercial banks are distinguished:

by the ownership of their charter capital and the method of forming it—in the form of joint stock companies and limited liability companies, with the participation foreign capital, foreign banks, and others;

by the kinds of operations performed—general or specialized;

by the territory of their activity—Unionwide, republic, regional;

by their branch orientation.

3. For financing Union, republic, regional, and other programs it is possible to create special commercial banks according to the procedure and under the conditions stipulated by legislative acts of the USSR and the republics. Article 7. **Charters of Commercial Banks**

1. Commercial banks operate in keeping with their charters. 2. The bank charter must contain:

a) the bank's name and location (postal address);

b) a list of operations conducted by the bank;

c) the amount of the charter fund and a list of other funds formed by the bank;

d) a provision to the effect that the bank is a corporate body;

e) provisions concerning the organs of bank control, their structure, their procedure for their formation, and their functions.

The charter may also include other provisions related to the peculiarities of the banks activity that do not contradict legislation.

Article 8. **Independence of Commercial Banks**
Commercial banks are independent of executive and administrative organs of state authority and administration when they adopted decisions related to current banking activity.

Workers of state authority and administration are prohibited from participation, including through joint duties, in bank administrative organs.

Article 9. **Unions and Associations of Commercial Banks**
Commercial banks may create unions, associations, and other societies for coordination of their activity and protection of their interests.

CHAPTER II. PROCEDURE FOR OPENING AND CLOSING COMMERCIAL BANKS

Article 10. **Founders and Stockholders of Commercial Banks**

1. The founders and stockholders (participants) of commercial banks may be corporate bodies or citizens, with the exception of soviets of people's deputies of all levels and their executive organs, political organizations, and specialized public funds. The share of the participation of any of the founders or stockholders (participants) must not exceed 35 percent of the amount of the charter capital.

2. When creating foreign banks and banks with the participation of foreign capital one of the foreign founders must be a bank.

Article 11. **Licensing Policy for the Activity of Commercial Banks**
Commercial banks conduct their activity on the basis of licenses for the performance of banking operations obtained from the central bank of the republic on whose territory they are located.

Licenses for performing banking operations are issued to Union commercial banks by the USSR Gosbank.

Article 12. **Documentation Necessary for Obtaining a License**
To obtain a license for conducting banking activity, the following documents are submitted:

a) a petition for the license;

b) charter documents: the charter agreement, bank regulations, protocol on the adoption of the regulations, and the appointment of the bank's management organs;

c) economic substantiation;

d) report from an auditing organization on the financial position of the founders;

e) information of the professional suitability of the leaders (chairman and head bookkeeper) of the bank proposed by the founders;

f) other documents stipulated by republic legislation.

Article 13. **Additional Documentation for the Acquisition of a License by a Bank With the Participation of Foreign Capital, by a Foreign Bank, or by a Branch of a Bank of Another Country**

For the acquisition of a license for performing banking operations by a bank with the participation of foreign capital, a foreign bank, or a branch of a bank of another country, in addition to the documents indicated in Article 12 of the present Law, they submit the following documents which are made legal according to the established procedure:

a) foreign corporate bodies:

a decision of the corresponding organ of the foreign founder (participant) concerning his participation in the creation of the bank on the territory of the USSR or the opening of a branch;

a written agreement from the auditing organ of the country where the foreign founder (participant) is located allowing its participation in the creation of a bank on the territory of the USSR or the opening of a branch in cases when this is envisioned by legislation of the corresponding country;

b) foreign citizens:

confirmation by a first-class foreign bank of the given party's solvency;

recommendations from no less than two foreign corporate bodies or citizens who are known to be solvent.

Article 14. **The Authority of Central Banks of Republics Regarding the Amount of Capital of Foreign Banks and Banks with the Participation of Foreign Capital**

In order to provide equal concrete conditions for all commercial banks, central banks of republics may place additional demands on the founders of foreign banks and banks with the participation of foreign capital regarding the minimum and maximum amounts of the charter capital.

Article 15. **Time Period for Consideration of the Petition**

1. Petitions for the issuance of licenses are considered within a time period not exceeding one month from the time of the receipt of the petition and all documents stipulated by the present Law for the issuance of a license if no other time period is stipulated by the legislation of the republics.

2. In the event that the central bank of the republic or the USSR Gosbank exceed the given time period for considering the petition, the central bank of the republic or the USSR Gosbank pays to the founders of the commercial bank a fine in the amount of 0.01 percent of the sum of the declared charter capital of the commercial bank for each day it goes past the deadline.

3. The petition is considered to have been acted upon the day the corresponding decision is sent to the founders of the commercial bank.

Article 16. **Justifications for Refusing To Issue Licenses for Conducting Banking Operations**

1. The central bank of the republic or the USSR Gosbank may refuse to issue a license for conducting banking operations for any of the following reasons:

a) failure of the charter agreement and regulations to correspond to legislation in effect in the USSR;

b) unsatisfactory financial position of the founders (according to a conclusion of the audit organization) which threatens the interests of the bank's depositors and creditors.

2. The central bank of the republic or the USSR Gosbank may also refuse to issue a license for conducting banking operations if they decide that the leaders of the bank are professionally unsuitable. The bank leaders (chairman and head bookkeeper) must have unimpeachable business reputations and have experience in banking work.

Article 17. **Registration of Commercial Banks**

1. Along with the issuance of the license for conducting banking operations, the central bank of the republic or the USSR Gosbank carry out the registration of the commercial bank and inform it of its registration number.

2. The commercial bank is given the status of a corporate body from the moment of its registration.

3. The central banks of the republics notify the USSR Gosbank board of the registration of commercial banks and submit copies of the licenses they have issued so they can be registered in the Union book for registering commercial banks.

4. Commercial banks are not subject to registration with the executive committee of the rayon, rayon-in-city, or city soviets of people's deputies.

Article 18. **Procedure by Which Commercial Banks Open Branches and Agencies on the Territory of the USSR**

1. Commercial banks may open their branches and agencies on the territory of the USSR, and they are registered with the central bank of the republic on whose territory the branch or agency is opened. In order to register the branch or agency the commercial bank notifies the central bank of the republic of its registration number.

2. Branches of commercial banks may conduct banking operations only after they are registered.

3. The central bank of the republic reports the opening of a branch or agency of a commercial bank to the board of the USSR Gosbank so the branch or agency can be registered in the Union book for registering commercial banks.

4. The procedure for opening agencies of banks of other countries is regulated by legislation of the USSR and the republics.

Article 19. **Justifications for Revoking a License for Conducting Banking Operations**

1. The central bank of the republic or the USSR Gosbank may revoke a license for conducting banking operations in the following cases:

a) discovery that the information on the basis of which the license was issued was false;

b) delay of the beginning of activity for more than a year after the date of the issuance of the license;

c) the performance of operations prohibited by Article 2 of the present Law and also operations that exceed the limits of the special legal capacities of the commercial bank envisioned by its regulations;

d) on grounds stipulated by Article 40 of the USSR Law "On the USSR State Bank";

e) the discovery of the bank's violation of the requirements of antimonopoly legislation.

2. The revocation of the license has the effect of a decision to liquidate the bank. The revocation of a license is an extreme measure which, as a rule, should be preceded by warning measures directed toward eliminating the violations that have been committed.

Article 20. **The Duty of Commercial Banks To Notify the Central Bank of the Republic or the USSR State Bank of Changes in the Charter Documents**

Commercial banks must, within a month, notify the central banks of the republic or the USSR Gosbank of changes made in the charter documents, appending notarized copies of the amended documents. If the changes in the charter documents constitute justification for revoking the license stipulated in Article 16 of the present Law, the license may be revoked with the consequences envisioned by Article 19 of the present Law.

Article 21. **Closing a Commercial Bank**

A commercial bank is closed in keeping with legislation of joint stock companies and limited liability companies and also in cases envisioned by the present Law and the USSR Law "On the USSR State Bank."

Article 22. **Procedure for Appeal and Resolution of Disputes**

Commercial banks or their founders may appeal in court or the appropriate state arbitration board decisions made by the USSR Gosbank and central banks of the republics in the performance of their functions of licensing and monitoring.

CHAPTER III. PROVISION OF FINANCIAL STABILITY AND PROTECTION OF THE INTERESTS OF ITS CLIENTS

Article 23. **Observance of Economic Normatives by Commercial Banks**

In order to provide for financial stability of the bank and protect the interests of its clients, commercial banks observe the economic normatives established by the USSR Gosbank in keeping with the USSR Law "On the USSR State Bank," and they also create insurance and reserve funds.

Article 24. **Banking Confidentiality**

1. Banks in the USSR guarantee confidentiality of operations, accounts, and deposits of their clients and correspondents. All bank employees must preserve confidentiality of operations, accounts, and deposits of the bank, its clients, and its correspondents.

2. Reports on operations and accounts of corporate bodies and other organizations may be issued to the organizations themselves, their higher organs, state tax inspection teams, courts, investigatory organs, arbitration organizations, and auditing organizations.

3. Reports on accounts and deposits of citizens are issued, in addition to the clients themselves and their representatives, also to courts and investigatory organs on business assigned to them and in cases when monetary funds and other values of clients involved in the accounts and deposits may be frozen, subject to seizure, or property is subject to confiscation.

4. In the event of the death of the owner, reports on accounts and deposits are issued to individuals designated by the owner of the account or deposit in disposition instructions, to state notary offices assigned to handle hereditary claims on deposits of deceased depositors, and also foreign consular institutions.

Article 25. **Freezing and Seizure of Monetary Funds and Other Valuables in Banks**

1. Monetary funds and other valuables of corporate bodies and foreign and international organizations kept in banks may be frozen only by a decision of the courts or a decree of the investigatory or arbitration organs, and seizure may be carried out only with writs of execution issued by the courts, on orders from arbitration organs or other executive documents, and also at the demand of state tax inspections.

2. Monetary funds and other valuables of citizens kept in banks may be frozen or seized only on the basis of a verdict or decision of the court. Monetary funds and other valuables of citizens kept in banks may be confiscated on the basis of a verdict which has acquired legal force or a decree for confiscation of property issued in keeping with the law.

CHAPTER IV. RELATIONS AMONG BANKS AND COMMERCIAL BANK CLIENT SERVICES

Article 26. **Interbank Deposit, Credit, and Other Operations**

1. Commercial banks may, on a contractual basis, attract funds in the form of deposits and distribute among one another and conduct other mutual operations envisioned by their regulations.

2. When there are not enough funds for extending credit to clients and meeting the commitments they have made, commercial banks may apply for credit to the central banks of the republic. The procedure and conditions for conducting these operations are determined by the USSR Gosbank.

Article 27. **Interest Rates on Credit From Commercial Banks**

Interest rates and commissions for commercial banking operations are established by them independently, taking into account the provisions envisioned in Article 17 of the USSR Law "On the USSR State Bank."

Article 28. **The Contractual Nature of Relations Between Bank and Client**

1. Relations between bank and client are contractual in nature.

2. Clients independently select banks for credit-accounting and teller service and may receive all kinds of banking services in one or several banks.

Article 29. **Antimonopoly Rules**

1. Banks are prohibited from using their unions, conglomerates, and other associations to reach agreements directed toward monopolization of the market of banking operations in questions of establishing interest rates and the amounts of commissions or toward limiting competition in banking.

2. The observance of antimonopoly rules is monitored by the USSR Gosbank, the central banks of the republics, and also organs created for these purposes in keeping with antimonopoly legislation.

Article 30. **Forms of Transactions**

Banks conduct transactions in the country's national economy in forms established by the USSR Gosbank or those applied in international banking practice.

Article 31. **Ensuring Repayment of Loans**

1. Banks apply as insurance of prompt repayment of credit pledges, guarantees, instructions, and obligations in other forms accepted in banking practice.

2. Banks may make decisions to grant credit without security (bank credit).

Article 32. **Declaration of Insolvency of Debtor**

1. The debtor which is the corporate body that does not meet its commitments for prompt return of borrowed money may be declared insolvent by the bank.

2. The bank reports the declaration of insolvency of the debtor to the main creditors, the higher organ, and the executive committee of the soviet of people's deputies in which the enterprise is registered, and the founders (participants) of the debtor body.

Article 33. **Measures in Relation to a Debtor Who Has Been Declared Insolvent**

1. In relation to the borrower who has been declared insolvent, the bank may instigate the following measures:

a) transfer of operational control to an administrative body appointed with the participation of the creditor bank;

b) reorganization.

2. Measures proposed by the bank are carried out, depending on the legal status of the debtor, by its higher organ, the executive committee of the soviet of people's deputies, or its founders (participants).

Article 34. **Banking Operations in Foreign Currency**

Commercial banks may conduct operations in foreign currency under the license of the USSR Gosbank or the central bank of the republic. The rules for issuing licenses for conducting operations in foreign currency are established by the USSR Gosbank.

Article 35. **Branches and Agents of Banks Abroad**

Banks may open up their branches abroad with the permission of the central banks of the republics, and agencies abroad—upon notifying them.

Central banks of the republics inform the board of the USSR Gosbank of permits that have been issued and also submit to it consolidated statistical data on operations of branches of commercial banks abroad.

CHAPTER VI. BANK SAVINGS IN THE USSR

Article 36. **Savings Deposits of the Population**

1. Savings deposits may be accepted by all commercial banks in the USSR.

2. Banks independently establish the conditions under which they conduct operations for receiving deposits from the population.

In order to provide for stability of monetary circulation and prevent inflationary growth of prices, the USSR Gosbank may introduce the restrictions envisioned by Article 17 of the USSR Law "On the USSR State Bank."

3. Incomes from deposits are not subject to taxation.

4. The banks accept money for deposit and issue the depositors a deposit document.

Article 37. **The Bank's Duties to Protect Deposits**

Commercial banks accepting deposits from the population must use the funds they take in so as to provide for protection of the funds and promptness of the fulfillment of commitments to the depositors.

To this end, commercial banks, except for the USSR Sberbank [USSR Bank for Labor Savings and Credit for the Population], must create interbank funds for insuring the deposits of the population according to the procedure and under the conditions determined by the central banks of the republics.

Article 38. **Bank for Labor Savings and Credit for the USSR Population**

1. The Bank for Labor Savings and Credit for the USSR Population (Sberbank USSR) is a specialized commercial bank which conducts operations for attracting monetary funds of the population and distributing them.

2. The protection and promptness of return of deposits of the population in the USSR Sberbank are guaranteed by the USSR Gosbank.

3. Monetary funds attracted by the USSR Sberbank are used by it for extending credit to the population and for other purposes in keeping with the Main Directions of the Unified State Monetary-Credit Policy envisioned by the USSR law "On the USSR State Bank," including for distribution with bonds of the USSR and the republics.

4. The regulations of the USSR Sberbank are approved by the Central Council of the USSR Gosbank.

The chairman of the USSR Sberbank is appointed by the Central Council of the USSR Gosbank upon nomination by the chairman of the USSR Gosbank and he is a member of the board of the USSR Gosbank.

Article 39. **Depositors**

1. USSR citizens, foreign citizens, and individuals without citizenship may be depositors.

2. Depositors are free to select the bank for their savings and may have deposits in one or several banks.

3. Depositors may dispose of their deposits, obtain income on their deposits in the form of interest or in some other form offered by the banks, and conduct noncash transactions.

4. The depositor has the right to give the bank instructions to transfer his deposit to another individual or the state in the event of his loss.

In the event of the death of the depositor, the banks transfer deposits for which there are no instructions to the heirs according to the procedure established by legislation of the USSR and the republics.

Article 40. **Rights of Minors Concerning Deposits**

1. A minor who has made the deposit himself in his own name disposes of this deposit independently.

2. Deposits made by someone else in the name of the minor are disposed of:

a) until the minor reaches 15 years of age—by his parents or other legal representatives of the minor;

b) when the minor reaches 15 years of age—by the minor himself but with the consent of his parents or other legal representatives.

CHAPTER VII. ACCOUNTING AND REPORTING IN COMMERCIAL BANKS AND MONITORING THEIR ACTIVITY

Article 41. **Accounting and Reporting in Commercial Banks**

The rules of bookkeeping in commercial banks and the nature and volume of report and other materials submitted by them to the central republic banks and the USSR Gosbank are established by the USSR Gosbank.

Article 42. **Publication of Annual Balances and Profit and Loss Statements**

Commercial banks publish the annual balance and profit and loss statements on the forms and by the deadlines established by the USSR Gosbank after an auditing organization confirms the accuracy of the information presented in them. Central republic banks and the USSR Gosbank monitor the activity of commercial banks in keeping with the USSR Law "On the USSR State Bank."

Article 43. **Control of USSR Gosbank and the Republic Central Banks**

The republic central banks and the USSR Gosbank have control over the activity of the commercial banks in accordance with the USSR Law "On the USSR State Bank"

Article 44. **Audit Inspections**

The activity of commercial banks is subject to inspection by audit organizations authorized in keeping with legislation to conduct these inspections.

CHAPTER VIII. PECULIARITIES OF THE APPLICATION OF THE PRESENT LAW

1. The present Law does not apply to banks located in the USSR which were created on the basis of international agreements between the USSR and the republics.

2. Article 2 applies to the USSR Gosbank and the central republic banks within the limits established by their regulations.

3. Articles 24 and 25 apply to the USSR Gosbank and the central republic banks.

[Signed] President of the Union of Soviet Socialist Republics, M. GORBACHEV
Moscow, Kremlin, 11 December 1990.

Supreme Soviet Committee Debates Army Reform

PM2812100990 Moscow KRASNAYA ZVEZDA in Russian 15 Dec 90 First Edition p 1

[Report by Captain Second Rank V. Urban: "What Form Should Military Reform Take? In the USSR Supreme Soviet Committee for Defense and State Security Questions"]

[Text] The question of military reform featured on the agenda of the fourth Supreme Soviet session. The session has now finished work but the question is still unresolved. Why? There are several reasons. First of all, it is hardly sound practice to discuss military reform without first concluding the Union treaty. Also of considerable importance is the fact that the draft concept is still simply not ready for discussion in the legislature.

All this was clearly shown by Thursday's session of the Committee for Defense and State Security Questions. You could say that it summed up the preliminary results of the competition between the two main drafts. They are: the concept drawn up by the Defense Ministry and the document "On Preparing and Implementing Military Reform"—the result of work by a group of deputies led by V. Lopatin. It took a whole working day for the committee to reach its final decision: to take the Defense Ministry's draft as a basis, recommend that the government put the finishing touches to it, and then officially submit it to the Supreme Soviet.

There is no need to set out these two documents in detail. They were published in PRAVITELSTVENNYY VESTNIK No. 48 this year, so everyone has the right to decide his own attitude to them.

The main report on the Defense Ministry's draft was delivered by Colonel General V. Denisov, deputy chief of General Staff of the USSR Armed Forces. Specific sections of the draft were commented on by deputy defense ministers Colonel General V. Yermakov, Colonel General N. Chekov, and Lieutenant General V. Mironov, and other officials. The draft "On Preparing and Implementing Military Reform" was presented to the legislative committee by V. Lopatin.

The Attitude toward a Professional Army: In the opinion of Colonel General V. Denisov, we could switch to a professional army in the future. But, at present, recruiting personnel on a universal military service basis takes the fullest possible account of our country's economic potential and the social infrastructure of the Army and Navy. The concept of military reform envisages further steps in this direction by inviting citizens to do service on a voluntary basis at private and sergeant level.

V. Lopatin believes it will be possible to complete the transition to a professional army within four to five years from the point of embarking on military reform.

The Role of the Republics in the Implementation of Defense Policy and National (Territorial) Military Subdivisions: In his report, Colonel General V. Denisov said that from a military point of view national formations are a step backwards. A sharp increase in the number of levels of command-staff authority could lead to a loss of troop control.

Here are the arguments used by V. Lopatin in support of his theory on the need to consolidate republics' right to have their own territorial formations. The republics take part in shaping the USSR's defense policy. The Armed Forces of the future community of states will be formed on a contract basis and territorial units can be used to safeguard the community's security against external threat.

These units will be subordinate to the republics and the center. They will comprise ground forces and a professional reserve. There is absolutely no suggestion of dividing strategic forces into national compartments.

The debate at the committee session mainly revolved around these problems. Only three of the speakers suggested taking V. Lopatin's draft as a basis for future work. His document was criticized for its proposed decentralization of troop control and, in the opinion of some deputies, for the fact that several of its principal propositions are divorced from reality.

But why was it decided that the government should finalize the concept drawn up by the Defense Ministry? Some people made the point that military reform is not just reform of the Armed Forces. It goes much deeper than that, and the draft does not always take account of this. The foreign policy aspect should be deepened, for example, which should involve specialists from the Foreign Ministry and academic institutes. The real relationship between the center and the republics in questions of defense policy should be stipulated. This must be worked out now, before the Union treaty is signed. And before all this is discussed in the legislature, we must get an answer to the very real question of how much military reform is going to cost. Only the Council of Ministers can answer this question.

Political & Social

Gorbachev Visits Ryzhkov in Hospital

LD2812183890 Moscow TASS in English 1821 GMT 28 Dec 90

[Text] Moscow December 28 TASS—President Mikhail Gorbachev visited the Central Hospital where Nikolay Ryzhkov is under medical treatment.

Gorbachev talked with medics about Ryzhkov's health and asked to convey to him his wishes of early recovery.

Condition 'Stable But Serious'

LD2912112290 Moscow TASS in English 1103 GMT 29 Dec 90

[By TASS correspondents Elenora Sutotskaya and Yuriy Sizov]

[Text] Moscow December 29 TASS—The condition of Soviet Prime Minister Nikolay Ryzhkov, who suffered a heart attack on December 26, is stable but serious, a Health Ministry official told TASS by telephone. He said that Ryzhkov's condition is not deteriorating.

The official explained that the first seven to eight days after a heart attack are the most critical and that the patient's general condition may change several times a day within acceptable limits.

He added that Ryzhkov's doctors are doing everything to preempt any possible complications.

President Gorbachev visited the Central Clinical Hospital, where Ryzhkov is staying, on Friday. He talked to doctors about the premier's condition and asked them to pass on to Ryzhkov his wishes for a speedy recovery.

Health Ministry officials explained to TASS that no visits to heart attack patients are allowed at the initial phase of treatment.

Bogomolov Urges Change to Gorbachev Policies

LD2912181690 Hamburg DPA in German 1650 GMT 29 Dec 90

[Text] Hamburg (DPA)—According to presidential adviser Oleg Bogomolov, "civil war and a mass exodus" from the Soviet Union can only be prevented by a fundamental change in President Mikhail Gorbachev's political course. Bogomolov, who is also a USSR people's deputy, said in a prereleased interview with BILD AM SONNTAG that the next three to four months would be decisive for the future of the president. If Gorbachev continued his policies, then chaos would ensue. A serious danger for Europe and the rest of the world would arise from this, for it would mean that a nuclear power was running out of control, and an enormous wave of emigration from East to West would become a "new problem for Europe."

According to Bogomolov, the union of Soviet republics in its present form will dissolve. However, a new community of independent union republics will emerge. Formally, the position of the president here would be very strong; Gorbachev would even have the necessary majority behind him in parliament. But, the union republics would not go along with the authoritarian path toward a dictatorship which he adopted, Bogomolov warned. At the same time, he emphasized that the West—above all, the Federal Republic—was already helping in this difficult situation to the best of their abilities, but that the Soviet Union would have to settle most things itself. Moscow had to correct the mistakes of the past years and introduce democracy and market economy quickly.

Scientists Support Additional Executive Powers

LD3012151190 Moscow TASS in English 1500 GMT 30 Dec 90

[By TASS correspondent Veronika Romanenkova]

[Text] Moscow December 30 TASS—"I fully support the decisions of the Fourth Soviet Congress of People's Deputies to grant additional powers to the president and reform the executive power system in the country," said Soviet Academy of Sciences Vice-President Konstantin Frolov.

He was among the 20 other USSR people's deputies who signed the scientists' appeal on the results of the congress. Frolov handed the appeal to the TASS correspondent today.

The appeal says, in part, that "ensuring civil peace and accord and strengthening executive power along the entire vertical line" should be the primary condition for ending the crisis.

"We reject a dictatorship and are calling for using all lawful means to prevent bloodshed and civil war, for preserving the life, freedom and dignity of each man and the entire Soviet people."

The appeal emphasises that scientists, who are members of the Soviet Parliament, will persistently work towards ending the "war of laws" that "paralyses all life and generates chaos in the economy."

"We favour the clear-cut separation of the competence of the republics and that of the Union with the supremacy of the statute of law," the appeal says.

Frolov said it was impermissible to assign the secondary role in society's development to science at the time when the economy was in crisis and the transition was made to a market.

He regards as necessary to attach priority to financing basic science aimed at the development of new technologies. Frolov said that 14 billion roubles that were planned to be set aside for science in the USSR State Budget for 1991 could hardly enable the country to ensure a breakthrough in new areas of the scientfic search. He emphasised that all Union republics should make equal contributions to financing Union scientific programmes. (endall)

Gorbachev Faces Difficult Stage of Perestroyka

AU2912141690 Cologne Deutschlandfunk Network in German 1200 GMT 29 Dec 90

[Text] According to Zagladin, the CPSU Central Committee's expert on Western affairs, Soviet President Gorbachev is now facing the most difficult phase of perestroyka. In an interview with the Hanover paper NEUE PRESSE, the Gorbachev aide stressed that it is not possible to complete the reform program in one year or one decade. Certain initial steps have already been taken. They include the increased power of the president. The most important tasks that have to be tackled in the near future are the transition from bureaucratic totalitarianism to pluralistic democracy and the rule of law, and from a basically unitarian state to a federation of sovereign republics, Zagladin stated.

Yanayev Interviewed on Voting Results

PM3112112690 Rome LA REPUBBLICA in Italian 28 Dec 90 p 3

[Interview with then vice presidential candidate Gennadiy Yanayev by Fiammetta Cucurnia on 27 December in Moscow: "'I'm No Brezhnevite'"]

[Text] Moscow—It was 1500 hours, and in the corridors of the Congress of Deputies Gennadiy Yanayev awaited the result of he second vote following his unexpected defeat in the morning.

[Cucurnia] Gennadiy Ivanovich, some deputies maintain that following the result of this morning's vote any further vote will do irreparable damage to your personal prestige. What prompted you to stay in the race?

[Yanayev] It is not a matter of prestige, disappointments, or ambition. What we are dealing with here is a political battle, and the votes against me were votes against Gorbachev. The Congress made a political choice, and I am sure the same would have happened to any other candidate. I am doing what is natural for me. As a youngster, I was certainly no pin-up, but I was a good hockey player. It was then that I learned never to give up during a match.

[Cucurnia] How do you feel in the role of a candidate imposed by force for the second time from above?

[Yanayev] I feel neither particularly embarrassed nor, in fact, very comfortable. Of course it would have been better to be elected right away, but I believe that a victory won with greater difficulties is more satisfying.

[Cucurnia] When did you learn that Gorbachev intended to nominate you for the vice presidency of the USSR?

[Yanayev] Yesterday, yesterday morning, two hours before the voting started.

[Cucurnia] Why do you think the Congress did not seem to particularly appreciate your candidacy?

[Yanayev] Because people associate my name with a specific desire for action. I am a man of action and can never confine myself to words. I have stressed this several times, including from the rostrum, and I have explained that I have no intention of concealing the fact that I am a Communist and that I do not want to leave the Party and hand in my membership card, as is fashionable now. I want to work for the benefit of my people, who have suffered so much.

[Cucurnia] What do you think of the warning issued by Shevardnadze, who spoke in terms of an imminent "dictatorship?"

[Yanayev] I spoke favorably about him from the Congress rostrum. But I want to state quite clearly that I do not agree with his warning of a threat from the right. I am absolutely sure that we will continue to act using political means, and only political means. There is no other way.

[Cucurnia] Gennadiy Ivanovich, who are your enemies?

[Yanayev] In the USSR today there are a huge number of parties and movements still at a childish stage of development. As with children, these parties' vocal chords are well developed, but their motor functions are still developing. Hence their intolerance and the rather strong expressions that they use. Apart from enemies, there are also political adversaries. I believe that our policy must take clear account of this difference. Concerning the parties seeking lamp-posts from which to hang Communists, I fear that our paths lie in opposite directions. These are enemies that must be defeated.

[Cucurnia] How would you answer those who say that the choice of Yanayev for vice president is a victory for the conservatives, a sign of a return to Brezhnevism?

[Yanayev] If you are referring to the fact that my career developed during the Brezhnev years, then I will say more: I finished my education under Stalin, started work under Khrushchev, and of course continued under Brezhnev and all his successors. So such references are incorrect, to say the least. I am, and declare myself to be, a perestroyka man, though of course I do not agree with all the decisions made during this period.

[Cucurnia] What are your main reservations?

[Yanayev] I believe that we made two crucial mistakes. The first, in 1985, when we created the illusion in the country that the accumulated problems of decades could be resolved in two or three years. Miracles do not exist. This is why we are now witnessing a dramatic collapse of hope, and people are starting to wonder what is the point of this perestroyka if life is not improving. Gorbachev seemed like a surgeon planning to operate on an inflamed appendix, who then discovers tumors instead.

[Cucurnia] And the second?

[Yanayev] The second was committed by the Communist Party leaders who, having launched perestroyka, did not concern themselves with preparing the Party from the psychological, theoretical, and organizational viewpoint. This is why the CPSU has been forced to pursue a society that was escaping into perestroyka with virtually no help.

[Cucurnia] How do you intend to tackle the problems that divide the Kremlin from the republican parties—Russia's, for instance.

[Yanayev] We are working on this continuously at the moment. The problem will be tackled with the instruments of dialogue. And I am sure that we will find the right solution, if Allah so wishes, as they say in the East.

[Cucurnia] Are you married; do you have children?

[Yanayev] Yes, I am married, unfortunately for me. I have two children and a 10-year-old grandson.

Greek Paper Interviews Yanayev

NC2812180990 Athens RIZOSPASTIS in Greek 28 Dec 90 pp 8, 9

["Exclusive" interview by Gennadiy Yanayev, newly elected Soviet Vice President, with RIZOSPASTIS correspondent Yiannis Litsos in Moscow]

[Text] Immediately after he was elected vice president of the USSR, Gennadiy Yanayev kept his promise, given before his election, of an interview with RIZOSPASTIS. Our readers thus have the opportunity to be the first in all Europe to be briefed "first hand" on the views of the number two man in the USSR leadership.

I visited Greece this year, Gennadiy Yanayev told us the first time we met him. I participated in the work of the Panhellenic Socialist Movement congress. I also met with the leaders of the Greek Communist Party and left your country with the best impressions. If I am elected I will give you an interview. Wait for the result.

Gennadiy Yanayev was born in 1937 in the Gorki area. He graduated from the university school for agrarian economy, specializing in engineering. He worked as head of the department for construction units in agrarian areas while studying law and has received a law degree. He was elected a Komsomol cadre in the Gorki area, was president of the committee for Soviet youth organizations for 12 years, vice president of the friendship association with foreign peoples, and secretary and then president of Soviet trade unions. At the 28th CPSU Congress he was elected to the Politburo and made secretary of the CPSU Central Committee.

[Litsos] As vice president of the country, what will you do first?

[Yanayev] I will carefully study the amendments to the constitution concerning the responsibilities of the vice president. I will deal with what our people need. We must put order into our domestic consumer market, try to supply our population with the necessary foodstuffs, and resolve ethnic disputes. It is no secret that social tension in our country is critical. I believe the Soviet citizens pin their hopes on the ability of the country's leaders to act decisively in averting economic bankruptcy and political chaos.

[Litsos] When were you offered the vice presidency of the USSR?

[Yanayev] As I said at the people's congress, the proposal was made to me on the eve of the election. I spent a difficult night. The president's offer was a surprise to me, but since 1985 I have accepted perestroyka "with all my heart and soul." I consider it my duty during this difficult period to share with the country's political and state leadership the responsibility for the important decisions the congress has made; to contribute, to the extent of my abilities, to the victory of the new line; and to support President Gorbachev, who is working for the benefit of all progressive, democratic, and patriotic forces in our society.

[Litsos] Many speakers at the people's congress opposed your candidacy, and you did not receive the necessary majority on the first ballot.

[Yanayev] Let us say it clearly: A political dispute is taking place here in the congress, a dispute with victories and defeats. This is how I view the results of the first ballot. However, I would like to stress that the primary duty of all forces is to rally around the platform of the presidential plan for overcoming the crisis. This is the key to the future. This is how I view the crisis between the central and Russian leaders. Gorbachev and Yeltsin must sit down and talk and find mutually acceptable solutions. Otherwise, the crisis may have painful consequences.

[Litsos] Will you remain a member of the Politburo and secretary of the CPSU Central Committee after your election as vice president?

[Yanayev] I can assure you that I will remain a CPSU member. I will not bargain my party membership for the office I am offered. I will consult the CPSU Central Committee, and the party will decide whether I should remain in the Politburo.

[Litsos] In the party recently you were responsible for international relations. How do you assess Shevardnadze's resignation?

[Yanayev] In spite of Shevardnadze's dramatic statement, I must stress again that the country's foreign policy will not change regarding the existing strategic line and the specific priorities, and naturally regarding the agreements my country has signed or is getting ready to sign. I take this opportunity to state that as vice president I will try to contribute to the further development of friendly relations between the Soviet Union and Greece, as the people are linked with traditional bonds of friendship. In this new year I wish success to the Greek communists and the newspaper you represent. To all the Greek people, happiness and peace.

'Vzglyad' Cancellation Results in Controversy

Kravchenko Interviewed

LD3012204190 Moscow Television Service in Russian 1840 GMT 30 Dec 90

[Interview with Leonid Petrovich Kravchenko, chairman of the USSR State Committee for Television and Radio Broadcasting, by unidentified correspondent; place and date not given—recorded]

[Text] [Correspondent] Leonid Petrovich, what hapened at Gosteleradio on the eve of the New Year? Literally a few days ago a number of central newspapers all at once published their own versions of why the "Vzglyad" program did not go on the air on Friday. MOSKOVSKIY KOMSOMOLETS says that a late-night meeting of the collegium took place, which you led, and that at that meeting you warned the "Vzglyad" program creative group that if the journalists allowed themselves to comment on Shevardnadze's resignation on the air that day in a way that differed from the official comment, then the program would in its entirety and by its own volition follow in the footsteps of the Minister of Foreign Affairs. The next day, the same newspaper said the "Vzglyad" edition did not go on the air for political reasons. KOMSOMOLSKAYA PRAVDA has been carrying out its own research and, generally speaking, as a result of this research the immutable nature of our state's foreign policy is placed in doubt because of the failure of the "Vzglyad" program to go on the air. Please tell us in greater detail what acutally happened?

[Kravchenko] In actual fact, on Friday morning you read in MOSKOVSKIY KOMSOMOLETS about some late night, secret meeting of the collegium with such dramatic consequences for the presenters. You simply wonder at it. Of course, there was no collegium meeting, late night or otherwise. This fabrication also struck me because these events developed in a totally different way. There are many arguments and much discussion about a program which wasn't broadcast, but the truth is that this program does not exist.

[Correspondent] No, excuse me, Leonid Petrovich...

[Kravchenko] That program wasn't there.

[Correspondent] I have read an announcement, I have read a special announcement. Andrey Razbash, the producer of "VID", said this program would be an unusual one, especially for young people, and would be filled with a fairly large dose of optimism—that we are going to try to look forward into our immediate future, the year 1991, and that the "Vzglyad" announcers will try to

report back on the work that has been done over the past year. We were all looking forward to this program on Friday, therefore.

[Kravchenko] I didn't know, by the way, about this announcement.

[Correspondent] It was in our newspaper GOVORIT I POKAZYVET MOSKVA.

[Kravchenko] I haven't yet had time to familiarize myself with everything, as a new man, a new leader, but I have to say that actually there was no such program, there was nothing to show. There were intentions. It was around these intentions that certain arguments flared up. Everything began when, on Tuesday, the leadership of the editorial office consulted with me regarding the fact that the presenters of "Vzglyad" intended to invite on to their program the foreign minister, Eduard Amvrosiyevich Shevardnadze. This was said, and this intention emerged, following the dramatic resignation, or self-resignation, by the foreign minister. By way of improvization, I immediately replied, off the cuff, that from my point of view, this would not be appropriate, for at least two reasons. First, because I am sure that Eduard Amvrosiyevich will not agree to come, not only to our program, he won't agree, in this specific, delicate, situation, to give any interviews, either to Soviet or to foreign publications. Just in case, I consulted with one of the minsiter's aides: Is there any theoretical possibility of the presence, of inviting, the foreign minister to our program? I was told, clearly, no, it isn't possible. The second reason: you see, when we recall the situation at the congress, it was really unexpected for all of us. I recall that the president asked people not to get drawn into this aspect, into such a debate. There was a great deal that still needed to be weighed up and assessed. These were my motives, so to speak, my improvisation, and my advice to the leadership.

Then, following this, a few days later, that is, the day before, on Thursday evening, there was a discussion. Taking part were the editor-in-chief of youth programs, my deputies, Lyubimov, as the announcer for this edition. This discussion simply boiled down to this: What formula could be found, what specific phrase could be found, which might explain why, after all, tomorrow, or on that day, the program "Vzglyad" was not going out.

In the morning, there was a proposal by the editorial office itself with which I agreed. It ran approximately like this: That the program "Vzglyad" was unfortunately not going out, since, in the course of discussion among the announcers, the authors of this broadcast, which was being planned with the management of television, and the management of the editorial office, disagreements had arisen regarding certain events which had occurred at the Fourth Congress of USSR People's Deputies. Perhaps the question will reasonably arise, probably: What events could be at issue, what disagreements could be at issue? I, for example, thought that the key question at the congress was the discussion of the very acute socioeconomic situation. From the first day to the last, this was at the focus of attention. But, what kind of team is Gorbachev forming? Why is Shevardnadze leaving? What lies behind this? These are the consequences.

[Correspondent] Leonid Petrovich, in that case I have this question for you. You know, KOMSOMOLSKAYA PRAVDA says that, by all accounts, the program was prohibited from mentioning Shevardnadze's name on the air. Was there such an instruction?

[Kravchenko] I am surprised at this invention. Because every day there are mentions of Shevardnadze, on television and radio, in one context or another, and as a rule, in a normal, respectful context, or regarding foreign policy or other events.

[Correspondent] Leonid Petrovich, we all know that you were one of the creators, if I can put it like that, and admirers of "Vzglyad", as it was being created at the time when you were in the management of Gosteleradio, and "120 Minutes" and "Before and After Midnight", that is, programs which have won and now enjoy great popularity. What is currently going on with you? Are you in conflict with this collective? What has given rise to this, I would even say, you know, drive on the part of the staff from "Vzglyad" towards conflict?

[Kravchenko] Once again, I am extremely surprised by the things I have witnessed this week. You know it is a talented collective. There are always a lot of inventive people there. We have always taken pleasure over the discovery of the new forms which this collective has demonstrated. Today, I can promise television viewers that in the New Year this collective will bring them pleasure with new and unexpected programs. I have had, and do have, enormous respect today for this collective. But it seems people have appeared who have started to play politics. We have them in our organization, but there are more of them on the sidelines, more on the sidelines. They are those journalists, and I don't know who else is behind them, who draw us into this political game. Incidentally, I think that one of our key positions is the fact that television has been freed from political extremism and in this sense has neutralized itself.

Our society is already electrified and already excessively politicized. We produce so many such programs, from the relays of the work of the congresses and the sessions of the Supreme Soviets of the USSR and the Russian Federation, the Moscow City Soviet, and the Leningrad City Soviet. People watch all of this at night. This politicization, as I understand it, has seized not only the people and the population, but certain members of the television staff. But, as I understand it, the people look to us for good television, for good non-factual programs. Once again, therefore, I have declared, and I promise television viewers this again today, too, that the main change which awaits television is linked with a sharp increase in the volume of non-factual programming, with more films and plays, musical and entertainment programs, and television quizzes of various kinds. In the

evening, we have to help people to organize their recreational time, to lose themselves, as it were, in new feelings, in real feelings.

Host Blames 'Political Considerations'

LD2812201290 Moscow Television Service in Russian 1935 GMT 28 Dec 90

[Statement read by Igor Kirillov, host of the "VID," View (Vzglyad) and Others, program; from, the "VID" program]

[Text] It has been brought to our attention by the leadership of the State Committee for Television and Radio Broadcasting that today's "Vzglyad" program has been taken off the air. This decision was made as the result of discussion by the television leadership on assessments of certain events, which took place at the USSR Congress of People's Deputies, made by the compilers and presenters of the program.

In the opinion of "Vzglyad," the program has been taken off the air due to political considerations.

Paper on 'Vzglyad' Ban

LD2912141690 Moscow Radio Rossii Network in Russian 1253 GMT 29 Dec 90

[Text] To conclude our newscast, a report from KOMSOMOLSKAYA PRAVDA.

Yesterday, television viewers did not see the "Vzglyad" program. Many were probably expecting to see and watch what the closest colleagues of Foreign Minister Shevardnadze were going to say in a live broadcast. What happened?

As the newspaper's correspondent Vasilyev reports, USSR Gosteleradio Chairman Kravchenko banned the showing of this conversation. On the eve of Eduard Amvrosiyevich's address at the congress the assessment of his aides is interesting. In their view the minister had exhausted all his reserves and was no longer able to influence the situation. Moreover, of interest is the fact that Shevardnadze was being reproached for the very same thing for which Gorbachev had received the Nobel prize, and perhaps also something that has happened for the first time over the past 18 months—namely that Aleksandr Lyubimov did not just have "Vzglyad" guests banned, but the topic of the broadcast itself.

Former Minister Bakatin Discusses Political Future

LD3012130190 Moscow TASS International Service in Russian 1222 GMT 30 Dec 90

[Text] Moscow, 30 December (TASS)—In an interview published today in 'KOMSOMOLSKAYA PRAVDA,' former internal affairs minister Vadim Bakatin said "I have not asked for another job." Bakatin was released from his post by a USSR presidential decree and is now a member of the Presidential Council. Boris Pugo replaced him as head of the Ministry of Internal Affairs.

Vadim Bakatin has emphasized that he has "no fundamental disagreements with the president" and that any future appointment "is in the president's hands." However, Bakatin noted that he would not "agree to each and every suggestion."

Bakatin said that he disagrees with those politicians who speak of the disintegration of the Ministry of Internal Affairs system. "Given the current prevailing disintegration, the ministry has still been more or less functioning. Its work has been hampered by the anti-constitutional activities of authority." The former USSR minister believes that a program to reform and strengthen the whole system of criminal justice is needed. "The militia cannot be structurally changed until it becomes clear what kind of a union there will be," he stressed.

Commenting on the activities of the Soyuz group of deputies, which demanded his removal, Bakatin said: "They have a noble and most important goal at this time: the preservation of the union." However, the former interior minister emphasized, the activities of the group "are not promoting concord and a solution to our problems."

Paper Details Kryuchkov News Conference

91UF0278A Moscow SOVETSKAYA ROSSIYA in Russian 26 Dec 90 Second Edition p 2

[Report on 25 December news conference with V.A. Kryuchkov, chairman of the USSR KGB, in the Kremlin Palace of Congresses, by A. Gamov: "More Order"]

[Text] On 25 December, SOVETSKAYA ROSSIYA published developments at the Fourth Congress along with an appeal by USSR People's Deputy B.F. Pylin. It included an interview by M.N. Poltoranin, RSFSR [Russian Soviet Federated Socialist Republic] Minister of the Press and Mass Media given to Leningrad Television. We printed the complete stenographic record of this interview that included Deputy Pylin's appeal, and concluded that, among other things, an attempt upon the life of Nevzorov, anchor of the TV program "600 Seconds," was allegedly prepared and committed by KGB employees.

A SOVETSKAYA ROSSIYA correspondent approached V.A. Kryuchkov, chairman of the USSR Committee for State Security, asked him to comment on this during a press conference held yesterday in the Kremlin Palace of Congresses.

Vladimir Aleksandrovich said: "This is a realm of fantasy, and nothing else.

"As far as Nevzorov is concerned: He is a very gifted journalist. There was a time when not a single broadcast went by without him criticizing the Committee for State Security on every score. Recently, he has embarked on

an objective assessment of what is happening. In any case, I have been interested in this program. I am outraged by Poltoranin's statement, and we have expressed our attitude toward his assertion."

Journalists pointed out to the KGB chairman that his speech at the Congress of People's Deputies was received in a far from unambiguous manner, and some people even considdred it a request to return to old times, when help from the outside or any cooperation with foreign countries were perceived with suspicion.

V.A. Kryuchkov stated: If someone interpreted my speech as a call for the old way, apparently, that person was not thinking realistically but is considering things I do not understand. It is impossible to go back to the old ways in either the internal life of the Soviet Union or in the sphere of relations between states. Our course is ahead only along the path of renewal and development. We do not intend to reverse course though, of course, some corrections in what is happening in our country will take place; this is natural. I would like to stress the following: Our internal problems are our main concern and the Soviet leadership and the Soviet people are working to resolve them.

On role of the Committee for State Security in combating economic sabotage and organized crime, V.A. Kryuchkov said:

"We would like to have more order in our country, and we would like to end illegal profiteering. We have just had a meeting of the collegium of the Committee for State Security. After discussion we concluded that the USSR Supreme Soviet resolution adopted on 23 November is an instruction and an assignment for us, and we are going to follow it."

At this point, V.A. Kryuchkov regretfully admitted that so far he has not been entirely satisfied with his establishment's work; after all, the drug business still lingers, economic sabotage has appeared, and organized crime is at work. At the same time, he observed that merging large structures, such as the KGB and the MVD [Ministry of Internal Affairs], to root out the evil is hardly expedient. Recently, I have changed my mind on a merger investigative organs, said V.A. Kryuchkov. This combined structure would be large and amorphous.

The KGB has special communications, secret communications, there are border-guard troops, and troops intended for strictly internal purposes. They may be brought into action to restore order when the existing state system is threatened. I do not think that a civil war will unfold in our country, said V.A. Kryuchkov; however, some acts of sabotage registered recently in the Baltic area and Moldova put us on our guard.

Discussing the attitude of the state security organs toward destructive forces, V.A. Kryuchkov observed, among other things: Those who come out against the Union belong, from my point of view, to the destructive forces. However, there is one more circumstance: One may hold any position, but it is important that it be within the framework of the constitution—this does not amount to corpus delicti. However, if someone resorts to forcible, unconstitutional actions the state security organs will operate. It was stressed in particular that the KGB will operate within the law.

At present, the West frequently writes about a new wave of emigration from the Soviet Union when the Law on Entry and Exit is adopted, and this troubles the West a great deal. The USSR KGB chairman observed that this is a very painful issue for us. What constitutes the wealth of a great country? It is the people. When people who have lived their lives in the country and are dissatisfied enough to leave it is a tremendous economic loss. Ultimately, we can get over this. However, there also is another aspect: The people very frequently leave the country for good; only a very small segment of them come back. This year, several hundred thousand people are likely to leave the Soviet Union. This is a very large number for our country. As far as the future is concerned, it is quite possible that in 1991 the level of emigration will not diminish. However, said V.A. Kryuchkov, we can convince the people not to leave the Soviet Union because I believe that a time will come—it is not far away—when happiness and a normal life in our country is achieved.

What specific functions is the union KGB transferring to the Russian KGB, and is a transfer of cadres under discussion in this case? In answering this question, V.A. Kryuchkov noted:

"We have an agreement in principle with B.N. Yeltsin on creating a Committee for State Security of Russia. This was our proposal. There were different variants. We believe that Russia should have the same committee as the other Union republics. There is a clear-cut division of functions; we are going to discuss this further. Some tasks will be accomplished at the Union level, and some at the republic level. So far, I have not detected different approaches. There will be no particular problems in this matter. In any event, we believe that initially the Union committee should provide more assistance than at a later time. As far as the cadres are concerned, the comrades have approached us with a request for help."

At this conference, the issue of the supposedly "forthcoming" dictatorship in our country came up again. What is the opinion of the KGB chairman on this?

"If I were to be frank, I am also uneasy about the state of affairs in the country and the possible turn of events; this is why we work on different variants of the development of the situation. I believe that our task is to prevent any dictatorship. Our task is to operate within the law. However, if many things are disrupted in the country, if life becomes abnormal, then, of course, the issue of emergency measures may be put on the agenda. I am profoundly convinced that if, say, our president resorts to emergency measures this does not mean going back. We will have to deal with restoring order that everyone

misses so badly. Incidentally, they demand order from the left, the right, and the center..."

Metro Stoppage Threatened Due To Finances

LD3012194490 Moscow Television Service in Russian 1800 GMT 30 Dec 90

[Studio interview with Viktor Yakovlevich Pakhomov, chief of Ministry of Railways' main metro department, by unidentified announcer on 30 December; from the "Vremya" newscast—live or recorded]

[Text] [Announcer] Reportage and other information given here needs to be commented on, especially against the background of the rather alarming reports that our editors have been receiving recently on possible stoppages of underground trains. A date—January—has even been given in Moscow. All in all, this is not a very happy situation, and we have invited Viktor Yakovlevich Pakhomov, chief of the Ministry of Railways main department of metros, to the studio to clarify it. Viktor Yakovlevich, how serious are the fears of our viewers about the metro stopping?

[Pakhomov] These fears are very serious. The metros will stop on 10 January because there is no money to pay wages; there is no money to pay for electricity and materials.

[Announcer] How has such a situation arisen?

[Pakhomov] Why has this arisen? Previously, in other words, until now, the metros have been maintained out of the revenue of the railways. But from 1 January, in connection with the market economy, the metros will have to be maintained from republican and local budgets. The managers of these departments are not resolving this matter. Matters have been resolved only for five metros—Minsk, Leningrad, Tbilisi, Yerevan, and Tashkent.

[Announcer] Well, one can perhaps understand managers here, because the metro is lossmaking, and who wants such a burden on their shoulders?

[Pakhomov] Yes, of course, one can understand them. But in Leningrad, this matter was resolved by raising fares. From 1 February, a fare of 15 kopeks is being set there. The fare machines are now being altered, and from 1 February passengers will pay 15 kopeks.

[Announcer] Incidentally, about these five and 15 kopek coins; are preparations under way in other cities as well to raise fares?

[Pakhomov] No, there have been different approaches. The cities that I named, the approach there has been that fares have been left at five kopeks, but the maintenance has been undertaken by the cities themselves.

[Announcer] And to summarize our brief dialogue?

[Pakhomov] I think the heads of republic and local soviets should urgently resolve this matter to prevent the metros from stopping.

[Announcer] Well, Viktor Yakovlevich, thank you for coming to our studio. [video shows presenter talking to Pakhomov in studio throughout]

Rasputin on Congress, Shevardnadze, Gorbachev

LD3012182890 Moscow TASS in English 1810 GMT 30 Dec 90

[By TASS correspondent Viktor Salkanov]

[Text] Moscow December 30 TASS—The success of the plan to strengthen Soviet executive power, proposed by President Mikhail Gorbachev and approved by the recent Congress of People's Deputies, will depend on how well this plan is translated into life, Soviet writer and Presidential Council member Valentin Rasputin said.

"If the president continues to count on the natural development of events as the most sensible one, he may err in defining the time when this sensibility will set in. Unfortunately, this time is not at all close," Rasputin said in an interview with TASS.

The writer believes that the Soviet president is now in need of assistance by all those in whom the feeling of patriotism and self-preservation are alive.

Commenting on the U.S. television statement, alleging that "Mikhail Gorbachev is now counting more on assistance from the Army, KGB and Interior Ministry, i.e. on force, after losing popularity with the people," Rasputin said that no head of state could do without the support from the Army and the law enforcement forces.

"This should not be blamed on anyone and still less seen as ensuing from the loss of popularity," Rasputin added. "There is popularity and popularity. Populists may enjoy greater popularity, but theirs is the popularity of fermentation, not of good quality achieved."

During the forthcoming referendum, the people will vote against private land ownership, Rasputin said. As regards the referendum on the future of the Soviet Union, results of the vote in three or four republics may prove anti-union, Rasputin intimated.

Rasputin was sharply critical of the Russian Federation leadership. "The Russian leaders are using Russia as a trump card in the gamble by republics for dissociating themselves from the Union and subverting the central authority. This dooms Russia to the same effects they are seeking to achieve for the Union," he said.

"Russia is a patchwork of ethnic communities, tongues and nationalities, and the itch of dismemberment cannot be contained outside the Russian boundaries," Rasputin said.

On Eduard Shevardnadze's surprise address to the Congress, Rasputin noted that he had not foreseen the foreign minister's decision to resign.

"I disagree with words about dictatorship," he stressed. "Dictatorship is a dangerous word, which has been picked up by many and will be excessively brandished. What dictatorship can there be if virtually everything is in decay? I believe that Eduard Amvrosiyevich's use of the word was without ground at all".

Commenting on Moscow Mayor Gavriil Popov's call to "join the authority of the centre, the experience of the apparatus and the forces of the KGB and the Army with the popular trust in democrats", Rasputin stressed that "Democrats no longer enjoy the mass confidence they enjoyed in the spring of 1990. Confidence is bound to sink further if they continue to stick, wittingly or unwittingly, to their desructive tactics. A coalition government is a possibility but without 'rabid' members," Rasputin suggested.

"I have no light prospects to offer for the next two or three years," he said. "It is still very far to go before we become fully sensible. We shall have our fill of hardships, suffering and tears before we crawl on our knees to meet each other half-way in order to restore friendly and humane ties".

Article on Social Structure Critiqued

91UN0570A Moscow SOVETSKAYA KULTURA in Russian No 51, 22 Dec 90 p 3

[Article by A. Burganov, doctor of historical sciences: "The Paradox of Two Extremes"; elements in slantlines published in boldface]

[Text] **Are our principles any good? This is virtually the most burning issue of today's disputes. This is what A. Tsipko called his article (NOVYY MIR, No. 4, 1990), and certain points attracted the attention of his opponents.**

While I welcome the author tackling issues in this article, I would still like to question its "ultra-task" noted by the magazine's editor in chief in his foreword addressed to the reader. Sergey Pavlovich Zalygin writes that we ought to "catch up on those concepts and discussions of civilized humanity we have fallen behind, and we have **recoiled** (emphasis mine—A.B.), and have been developing for a long time without our participation, but time and again—with references to us, above all to our practice and experience, has been fairly bitter," and that "A. Tsipko's article is a resolute and serious step in this direction."

In and of itself the idea of returning to the bosom of civilization is excellent and undisputed. There is no denying that 70 years of movement away from civilization has led us to the worst results of all. A. Tsipko is right when he asserts that "our many years of struggle against the psychology of the property owner and for the psychology of the non-property owner was the greatest stupidity." But it is difficult to agree with him when he says that the future of our people—a return "back to history"—is completely linked to the restoration of the predominance of private property production relations.

A. Tsipko repeats this idea in an interview for OGONEK ("Be Careful, Bolshevism"—No. 47), in which he criticizes A. Solzhenitsyn's idea about the need to refrain from "ultra-private- property ownership," that since "the communist experiment did not succeed," it is "necessary to return to the sources."

And here is why. The epigraph to the article borrows an idea from P.Ya. Chaadayev: "...woe to him who would take the illusions of his vanity or the delusions of his mind as the highest enlightenment, supposedly releasing him from the **general law!"** (Emphasis mine—A.B.). In the text it is consistently shown that Marxism insofar as it pertains to the theory of socialism is an illusion of the vanity or a delusion of the minds of its founders. To what extent, however, does the author himself project our future according to the "general law"? And he is not the only one.

Thus one of the well-known scholars he thoroughly criticizes asserts directly: The party has led society not into a crisis but into a socioeconomic impasse. The only way to get out of it is to move backward since to move forward one must first return to the circumstances that caused the impasse. Then, forming step by step the class of private property owners, it can get back on the road to general well-being. The question arises: Is it not being suggested that we equate the patterns of the development of the society to the rules of street traffic?

We have created a social structure that is absolutely incomparable with that of any other country, so it is simply impossible to use the classical concepts or to take the same paths. Sad as it may be, we cannot enter a second time into that "river" of capitalism from which we emerged in 1917.

A. Tsipko categorically refuses to accept the humanistic idea of a classless society as the goal of humanity, the idea of social equality. Like certain other thinkers concerned with the creation of a middle class, a guarantee of social stability in the West, he tries to convince us of the inevitability of the stratification of a country's population into rich and poor as a predictable consequence of economic progress. One of the researchers asserts that this is inevitable—"in any case for the foreseeable future." The development of progress in civilized countries has emerged in such a way, he writes, that "the longed-for prosperity can be provided to no more than two-thirds of the society. The remaining third can in no way be pulled up to that fateful mark—the poverty level," and concern for them is a matter for the state.

Let us say that we are prepared to agree with this as an inevitable law of life. After all, it would be much worse if the ratio between the well-to-do and the poor were the reverse. As in our country: Approximately one-tenth of the population lives close to Western standards, and

nine-tenths are downtrodden. So to enter on the path to prosperity for two-thirds is not such a bad thing. And it will also be better for the "fateful third" who will be given a chance for relief this way.

But will the population reconcile itself to this prospect when the society will look at them as a necessary evil which it is cheaper to buy off than to work with to raise them to the average level? Moreover, in our country they are by no means merely one-third of the society but much more, and the number of their representatives is constantly growing during the process of destruction of the state. Will they not respond to this "concern" for them correspondingly, serving as the social base for movements, say, like the abundant pro-fascists (they are still in the "blossoming" stage and their "bearing of fruit" lies ahead).

We cannot create a middle class in the customary, classical sense of the word. This process has taken centuries in the history of the West. But in our country this kind of development has "missed the boat."

We must proceed not from what we desire but from what is really possible and dictated by the general laws of history, discussed so wisely by P.Ya. Chaadayev. In particular, by the law of negation of the negative. All the history of mankind (except Soviet and the like) has proceeded according to this law, the main categories include negation, succession, and development. In it negation is a qualitative aspect of the notion of communication—while retaining the positive and observing succession. There is also a return to the path already traveled (along the spiral) but this is incomplete, and development does not repeat paths that have been taken but looks for new ones that correspond to changed external and internal conditions. If development were to proceed by discarding the past completely, it would not be development for the preceding stage would be tantamount to thoughtless existence. In that case progress would be impossible.

Beginning with the October Revolution, we entered on the path of "useless negation"—indiscriminate destruction of everything old and we were like an unlucky blacksmith who forged and reforged a part from a large piece of iron until there was nothing left of it. So should we tempt fate once again? Essentially, A. Tsipko and those who agree with him are suggesting that we cancel out everything from the preceding period of our history.

Certain parts of the article I would call talented praise for private property and private property owners without any irony or allusions. The only problem is that the author wants to give private property only to the select, although not necessarily the best: diligent managers, masters who are working and are confident of their abilities. For my part, I would add that any person without private property is like a bird without wings who has been forced to grovel to the strong of this earth, to crawl, but not "fly." And a society made up of this kind of people I would compare to a building without a foundation which is not capable of withstanding the slightest strain. I would not, however, extend this simile to the point of equating measures for restructuring the building and the foundation. For restructuring a building erected without the proper foundation presupposes its destruction. Whether it is possible or necessary to use the former construction materials in the new building is of no essential significance (at least not for the building itself).

It is another matter to restructure a society, which consists of living and also rational beings. They are participants in it, and they carry the entire burden of the past in themselves, in their psychology, and in their consciousness. And they cannot reject anything, they cannot forget anything because it is unnecessary, but it necessarily must become something corresponding to the age-old aspirations of man, for example, the idea of equality of each and every individual, that has come down to us from Plato's time and perhaps even earlier.

It is fair to say that in our mass equalizing psychology there is an obstacle to our present development. The USSR president called it the most dangerous problem. One can understand those who call for developing in us something that is diametrically opposed.

Yes, we are lacking in culture and skills, we have sticky fingers, we are expert drinkers, we work poorly, and we have become accustomed to dealing with the state with our "hand held out." We do not like our poverty or the fact that some of the powers that be and also "black market workers" are swimming in luxury. But each person's age-old dream of universal equality and desire to be as good as others is born of an ineluctable, ineradicable desire for self-assertion. This tendency is inherent in everything living, even grass that pushes up through the asphalt, and it is even more in evidence in a rational being! But it is necessary to think of us, the "great unwashed," in human terms. Recall Dostoevsky: The happiness of all mankind is not worth a child's tears. So need we make a case for the admissibility of a sea of tears?...

Therefore you fine folk who claim to lead and educate the society, be good enough to love and pity us as we are. And it is possible to help us out of our not quite human condition only by proceeding from the way we see ourselves, not ignoring but, if you will, even to a certain degree indulging our dependent psychology developed over three generations. Satisfy the age-old hunger of the people, of each of their representatives, to become the master of all that has been created in the country by his ancestors and by him himself on an equal basis.

Nobody is to blame for the fact that he was born of the wrong parents, inherited the wrong genes, received the wrong education, had the wrong conditions for the development of his capabilities, and so forth. Yes, the wealth created by the labor of its owner should not be discriminated against, it should not be the object of claims from other people. But this is, as it were, an

ethical ideal. And in the life of the majority of the members of society, the wealth of some is an inevitable source of satisfaction of others. Since the differences in the degree of well-being of people under modern conditions are inescapable, they must, in order to ease the situation, affect not the main parameters that determine man's standard of living, but only things that are a matter of prestige or short supply and the like.

The author of the article, of course, sees also the negative sides of private ownership dramatizing the situation. But his logic is this: This is life, there is not nor can there be any other, and any attempt to structure it differently leads to sad consequences. Therefore, from his viewpoint, "along with the old, naively romantic denial of private property, the belief issuing from Marxism in the possibility of an ideal human existence without conflict must also gradually die." But has there really been any discussion of building a society that is absolutely without conflict? We have plenty of conflicts for all future times. The problem is to eliminate a division into haves and have-nots on a class scale. I submit that the society is capable of solving this problem if it is made up of people all of whom are property owners and not where the property owners are in one stratum and the disenfranchised in another.

Today, given the need for privatization of state property, this problem never leaves the pages of the periodical press, nor is it left out of the debates in the country's supreme soviets when they discuss draft laws on the transition to the market. Its roots go back into the past. Remember that the private property factor was underestimated by the ruling circles of tsarist Russia with respect to the peasantry in the 19th century when they conducted a land reform impeding the creation of a strong peasant class of property owners. This, incidentally, was both a cause and a condition of all three successful Russian revolutions in the beginning of the 20th century as well as current one. This is one side of the matter.

The other is that a firm conviction has taken hold in the mass consciousness: "The land is nobody's; the land belongs to God." And the 60 years of alienation not only from private ownership but also from communal ownership of the land and also the destruction of the peasantry as a class (if not all then the most businesslike parts of it) could certainly not pass without leaving their mark. This is shown today also by the resistance of a significant part of the society to the introduction of private ownership of the land.

A. Tsipko's thinking is in the channel of the programs under discussion by deputies of the country's supreme soviets for privatization of the economy and transition to the market through the sale of some state property to private parties who have the money. Are there many people like that? The answer is simply: very few. Which, incidentally, is what apologists of the class society are after. The author writes: "on a foundation of **universal** (emphasis mine—A.B.) poverty it is impossible to build a wealthy state." So can one be built "on a foundation" of poverty and deprivation of part of the society?

Economists of S. Shatalin's group assert that their program offers "equal chances to all," but that "it is of principal importance that the state cannot and must not give its property away free of charge. Property must be earned..." In the first place, thank you for this candor, but I must observe: This property was expropriated by the state from the people to whom, in an orderly world, this property belongs in the first place. Second, **all** and not just some of said property, as is asserted in the program, was earned by the people and their ancestors. Third, what "equal chances" can there be if the people are not able to buy from the state anything that will produce a certain amount of income and the majority will remain essentially only a hired work force? A. Tsipko correctly noted that "the working man has to reconcile himself to the role of a cog. He instinctively resists uniformity and flees from compulsory, imposed labor." May one ask if it is not "forced" and not "imposed" when a person has no other source of livelihood? And was there really no reason why Plato called people who sell their labor "hirelings" and Marx called hired labor "hired servitude"?

I do not deny the vital need for a diversity of forms of ownership, including private. We shall have a need for this for a long time to come, especially in services, small-scale production, and trade. But it should not appear because of selling off the national, social wealth. Its foundation should be its capital, labor, and the initiative of the citizens themselves who have a gift for business. In private business now, the need is even greater because it has swallowed up the present shadow economy, and the funds of the tycoons of the shadow economy (there is no need to explain where they come from for this occupation has no future) would be put to work serving us; the ultra-consumer capital of the owners would be transformed into productive capital regulated by the market; that is, the society.

If mankind does not want to develop consistently it is doomed to follow the principle of succession. It is stupid to hope to skip the stages of social development that have not run their course. In the legacy of Stalinism there is nothing worthy of approval or of being transferred to the future, as it were, with joy. But, still, people make history like this: They want one thing but what they get is either not exactly what they wanted or else it is something altogether different. In our case we are speaking about the fact that whether we want to or not, we must take certain things with us into the future as an objective reality. For if we enter on a course toward structuring we must know that the only way it is possible is by turning over the public wealth to be owned by the few. Will our underprivileged society be willing to put up with this? I do not think it will. And not all the wealth (large-scale production) can be sold out physically. So the state economic bureaucracy will remain with all the consequences that ensue from that.

Therefore the most correct thing would be to be oriented toward a nonstructured society which incidentally is fully in keeping with man's age-old dream about a classless society.

We need a society of social justice. In spite of all the assertions that this is impossible and that "only God is just" and not the mortal sinner. I have long had a nagging thought about the paradoxical coincidence of the final results of the activity of the Nina Andreyeva fans, the OFT [United Worker Front], the so-called Leningrad "initiative group," and the Marxist platform for a "dictatorship of the proletariat" with the propaganda of the democratically minded economists, historians, and commentators, particularly with respect to socialism. The **first,** being the "patriots," fight "to the death" defending their "socialist" achievements (privileges and power) and persuading their disenfranchised social base that they must not allow the loss of the equality in poverty they have gained (and it is wrong for certain people to underestimate this circumstance). The **second,** nihilistically denying socialism, since this means the society that was left to us as a legacy by Stalinism and Brezhnevism, actually gives support to the first by expanding their social base, which in any case is growing by the day and by the hour under the conditions of the destruction of the state. Is this not the **Achilles heel** of our democracy?

The socialist society is for a society of social justice in which people support one another, live without envy, and contribute to the improvement of the well-being of all. This requires changing from universal absence of private property under the conditions of a state monopoly on the national wealth to solving problems of private property for all. The meaning of privatization of the economy is neither the one nor the other. This can be accomplished only by allotting each citizen his share of the country's national wealth free of charge, a formal action. This way each person's income will be formed from two sources: the labor contribution and the dividend calculated for his part of the property united in a joint stock (cooperative, state) enterprise (organization, institution). The share of ownership, being a part of the national property, awarded to each as the general inheritance from his ancestors, in its initial sum cannot be taken away by anyone, and only if he himself wishes it can the part that is an increase, which also participates in the formation of dividends (and therefore it is not advantageous to withdraw it), be withdrawn. Only under this condition is it possible to avoid a situation in which the capital is concentrated in the hands of the few. Of course, the process of concentration of **new** capital is unavoidable, but it is not dangerous because it will be countered by individualized social property. The latter should be the guarantee of the well-being of each person from now until the end of time.

Thus we achieve:

1) The establishment of identical sources of well-being for each citizen and, consequently, the elimination of the split in the society between the controlled and controlling classes and the elimination of the economic bureaucracy as such.

2) Equalization of the quantity of material wealth received by all from the public wealth which is now distributed extremely unfairly, leaving the **difference** which arises from the quantity and quality of the labor contribution, which will greatly reduce the social and interethnic contradictions.

3) The formation, through personal interest, of group interest—the only advantage of socialist organization of labor over capitalist—which, in turn, will affect the entire society because of the interest of each person in increasing his share of the national wealth; that is, in expanded reproduction. The stumbling block for socialists of all times has been the problem of replacing **coercion** to work with the proper personal motivation combined with social motivation.

4) Abolition of the category of hired work force, which is a coercive form of putting people to work. In the material and spiritual spheres there is cooperation of the free labor of free property owners. A person ceases to be a **commodity;** the time comes when being a **person** is something to be proud of. There is no other way of overcoming the equalizing psychology in the consciousness of the masses, which is now a practically insurmountable barrier on the path to progress.

The state having withdrawn in this way, we shall give mankind 300 million new property owners all at once. We shall all be like the middle class in the West, with the essential difference, however, that we will not have opposing classes on either the left or the right. We shall all become guarantors of the stability of the society. I am convinced that we shall solve the problem of the growing exodus of certain of our peoples and also "brains" who are going abroad (nobody has ever thrown away his property so easily, "for nothing," especially when, I think, it will run into the six-digit figures). Is this not the way out of the socioeconomic impasse in which we now find ourselves?

We must give people hope today, immediately, and not promise them the "light at the end of the tunnel" (market) which can be seen only by those with very clear vision and whose approach is awaited only by those who are very patient.

Economic

Gorbachev Issues Budgetary Fund Decree

LD2912192690 Moscow Television Service in Russian 1800 GMT 29 Dec 90

["Excerpt" of presidential decree on the USSR economy, issued by President Mikhail Gorbachev on 29 December; from the "Vremya" newscast—read by announcer]

[Text] In accordance with the main directions for stabilizing the national economy and transitioning to a market economy approved by the USSR Supreme Soviet, and in fulfilling the resolution of the Fourth Congress of USSR People's Deputies on the state of the country and priority measures to overcome the crisis that has come about in the socioeconomic and political situation, I decree:

1. With the aim of ensuring the normal functioning of the country's economy; the financing of programs of investment, scientific research, and other programs in the interests of all republics; spending on conversion, allocation of subsidies to individual republics; and also to support enterprises experiencing difficulties for reasons beyond their control during the period of the transition to market relations, an all-Union extrabudgetary economic stabilization fund will be organized. The Union republics are recommended to set up similar funds.

2. In 1991, the following will be assigned to the extrabudgetary economic stabilization funds:

—profits amounting to the difference between the norm of social insurance contributions laid down in the USSR Supreme Soviet resolution on the procedure for implementing the USSR law on pension provisions for citizens in the USSR and the norm established for 1991 by the USSR presidential decree of 4 October 1990 on priority measures for transitioning to market relations;

—20 percent of the total of depreication allowance for full restoration of capital assets of enterprises and organizations under all forms of ownership, with the exception of enterprises and organizations of the agoindustrial complex;

—the profit of enterprises and organizations obtained from raising agreed prices for output, work, and services above the set maximum level of profitability;

—resources from the redemption by labor collectives of the property of state enterprises and organizations—50 percent of the residue of economic incentive funds as at 1 December 1990 will be earmarked for this purpose, without detriment to the paying out of remunerations according to the results of work for the year.

Furthermore, 20 percent of funds deriving from redemption of property of state enterprises and organizations coming from other sources will be assigned to the economic stabilization funds. The remaining 80 percent of the aforementioned sums will be used to pay off the domestic state debt. The distribution of the sums received between the aforementioned all-union and republican funds will be determined in an agreement for 1991 on stabilization of the socioeconomic situation in the country. Until the aforementioned agreement is signed, the resources of the stabilization funds will be accumulated in a single account.

3. The USSR Government and the governments of the union republics will determine the direction and procedure for use of the all-union and republican economic stabilization funds.

Finance Minister Assesses Budget Decrees

LD2912220990 Moscow Television Service in Russian 1842 GMT 29 Dec 90

[Interview with USSR Finance Minister Valentin Sergeyevich Pavlov by correspondent Aleksandr Fedorovich on 29 December; place not given; from the "Topical Interview" program—recorded]

[Text] [Pavlov] First of all, we must proceed from the premise that the perestroyka process is not an instantaneous action, and this concerns both the production process itself and every person individually. Therefore, one of the main areas today is the provision of certain support to people during perestroyka, primarily during the transition to market relations and support to people as separate individuals and, at the same time, as members of production collectives.

Here, a whole range of very complex relations crops up while transitioning to a market economy. You see, no one today can fall asleep under the conditions of an administrative-command system and tomorrow wake up under the conditions of a market economy. Therefore, we must prepare for a market economy. All the time we say that we must not prepare ourselves all together, but protect certain strata of the population and protect certain production collectives, that find themselves in difficult circumstances through no fault of their own, but precisely because—let's put it this way—they have found themselves sold short under the conditions of the old system.

Those who, as it is, have been sold short before should not be responsible for the fact that they have been sold short. We must enable them and ensure the support of society so that the transfer process does not turn into a misfortune for these colletives and these people, a misfortune for them themselves and a misfortune for society as a whole.

The need has arisen to temporarily support the most unprotected, weak strata of the population—so to speak—who cannot protect themselves under the conditions of market relations today, despite all the difficulties regarding the lowering of production volumes. Support them, if only at the cost of certain redistribution processes. Well, at all times, you know, in old Russia it was always this way, that when times were hard, people all the same gathered together, and the weak were always helped.

Here, such support is also envisaged regarding the setting up of these funds and the introduction...

[Fedorovich, interrupting] How will these funds operate?

[Pavlov] Today, all the republics said that these funds are needed for all. They are needed not by the union, as such, not by some union bodies; they are needed by the local bodies and the republic bodies and the union ones, because the perestroyka process embraces the whole of society. I would like to remphasize that all the union republics have advocated such funds and introduced a sales tax. We have proceeded from the premise that it is important to have these funds, these resources.

[Fedorovich] Valentin Sergeyevich, but where can such large amounts of money be obtained? What source will supply these funds?

[Pavlov] Above all, we have proceeded from the assumption that, under today's conditions, given the prices operating in 1991, resources have been provided for in full measure for the provision of the pension legislation, as was envisaged by the pension law adopted by the USSR Supreme Soviet. But, this costs approximately 37 percent in wages. This is the price, so to speak, of our pension law today. But, if you will allow me, I will remind you that, when it was dealing with the issues of pension legislation, the Supreme Soviet proceeded from the premise that it is not simply necessary to give money as a symbol of value, but to give the actual value. That is, we simply not only have to increase the size of the pensioner's pensions but also enable him realistically to have meat, milk, clothes, shoes, and so forth in exchange for this pension.

Therefore, cognizant of the fact that, radically resolving pension matters, we cannot back this up at one go on such scales with material and technical resources—primarily, as it were, commodity resources for the population—the Supreme Soviet has divided the implementation of pension legislation into stages. Thus, for 1991, the price which the Supreme Soviet adopted was fixed at 26 percent of wages. Thus, today we have a difference of 11 percent in wages which is earmarked for pensions, but the demand for these real monetary resources will only arise in 1992.

Therefore, so that these resources do not become a source of inflation or do not fall into those hands, those for whom they were originally intended, they should be used purposefully. Therefore, today it has been established that the purposeful, as it were, use of this money will be ensured by precisely these funds for stabilizing the economy. This is manifest, above all, in the areas for which this fund is used. Who needs it? The Finance Ministry? Or someone else? Or do the people need it?

We are proceeding from the assumption that this money must, above all, support those enterprises and organizations which today are—this refers to both people and collectives—beyond the poverty line. They are also called non-cost-effective and loss-making enterprises, you know.

They are non-cost-effective and loss-making in the majority not at all because they are working badly. They simply cannot reach not only a higher level—so to speak—of production and quality, but they cannot even maintain an average level. Simply for physical, objective reasons they cannot give what other collectives give, and they must be given something else. They must be given the time and opportunity to, as they say, even up their starting conditions.

Actually, this is the objective directed by the president's decrees. Why have they been issued now? Because, you know, life go s on every day. In our country today, very often we are asked questions: Comrades, where is the social protection proclaimed in the basic guidelines? Where are the resources to protect pensioners, invalids, and children? Where are the resources that can really assure us this will not simply be a phrase but a reality, and that, indeed, you guarantee tomorrow the teachers' and doctors' minimum wages, and wages in general, let's say, will be increased with an increase in prices? And people can be sure of tomorrow. This, actually, is what these two decrees are directed toward: A base of guarantees for collectives that we will not abandon people without work; that we will not abandon people without support during a price rise; that we will leave the development of the production of goods for people dependent, let's say, on how they survive, and, thus, society itself will purposefully support them, so that they resolve the tasks ahead of them.

Committee Says Strikes Pretext for Dictatorship

LD2812120890 Moscow World Service in Russian 1030 GMT 28 Dec 90

[From the "Soviet Chronicle" feature of the "Soviet Union Day by Day" program]

[Text] The Kuzbass soviet of workers' committees has declared their readiness to strike. In the words of its leaders, workers of this Siberian coal basin are running out of patience, since the economic situation in the region is worsening while the social demands put forward to the government are not being met. Calls for strikes can be heard at a number of Central Russian enterprises which supply Moscow with food and gasoline. In connection with this, the country's united strike committee has made a statement condemning such actions. Strikes, the address to working people says, will not deliver goods, but may become a pretext for the possible introduction of a dictatorship.

Military

Yazov Makes New Year's Statement to TASS

LD3012181790 Moscow TASS International Service in Russian 1700 GMT 30 Dec 90

[Text] Moscow, 31 Dec (TASS)—In 1990 the combat power and operational readiness of the Army and fleet have been maintained at a level ensuring the prevention of war and a guaranteed repulse to aggression. Marshal of the Soviet Union and USSR Minister of Defense

Dmitriy Yazov, said today in a New Year's interview for TASS. Large-scale measures have been implemented within the framework of military reform, the basis of which was laid by the new defensive doctrine.

In strict accordance with the INF Treaty, he said, short-range missiles have been destroyed and the elimination of medium-range missiles continues. In all, 96.4 percent of missiles in the USSR have been destroyed, and 78.8 percent in the United States. The Soviet Union has actually completed a unilateral reduction of half in million of its Armed Forces, and the withdrawal of formations and units from Eastern Europe and Mongolia is in progress.

Dmitrity Yazov touched upon social matters, stressing that providing housing for servicemen and their families remains one of the Armed Forces' most acute problems. There are currently about 177,000 families without apartments. In the 13th five-year period, it is planned to build 24,000 square meters of housing, 19 million square meters of which the Armed Forces will build themselves. In addition, 2 million square meters of housing will be built using funds allocated by the German Government. As a result, the Soviet Armed Forces should gain about 500,000 apartments over the next five-year period, the minister said.

Maintaining the combat readiness of the troops and forces of the fleet at a level which guarantees the prevention of any possible aggression and reliable protection of the sovereignty and state integrity of the USSR from outside encroachments, the defense minister went on, remains the main task of the Armed Forces in 1991. It is envisaged to complete the withdrawal of troops from Cechoslovakia and Hungary, the withdrawal of formations and units from Mongolia, and to start large-scale redeployment of troops onto the territory of the Soviet Union from Germany.

In addition, the defense minister added, in 1991 Soviet Armed Forces will complete fulfillment of the INF Treaty. Reduction of the main types of armaments and military equipment of the ground and air forces (tanks, armoured combat vehicles, artillery systems of 100mm calibre and above, military aircraft and strike helicopters) will begin in accordance with the treaty on conventional armed forces in Europe. A great deal of work will need to be carried out in connection with preparations for destruction of strategic offensive weapons if the treaty on a 50 percent cut in strategic offensive weapons is signed.

Yazov New Year's Message to Troops, Families

PM3012214790 Moscow KRASNAYA ZVEZDA in Russian 31 Dec 90 First Edition p 1

[New Year's message to Armed Forces servicemen and KRASNAYA ZVEZDA readers from Marshal of the Soviet Union D. Yazov, USSR defense minister; date not given: "To Armed Forces Servicemen, Veterans, Members of Servicemen's Families, and All KRASNAYA ZVEZDA Readers"]

[Text] Dear Comrades, 1990 is coming to an end. For the Soviet Armed Forces this year has marked an important stage in solving the practical tasks of military reform and putting our defensive military doctrine into effect. A lot of difficult work involved in implementing the Treaty on the Elimination of Intermediate-Range and Shorter-Range Missiles, reducing the armed forces by 500,000 men and cutting armaments, withdrawing formations and units from East Europe and Mongolia, and creating of an Armed Forces defensive grouping within the USSR's borders has continued. The processes of democratization and glasnost have been developed in the Army and the Navy and purposeful measures have been carried out to strengthen the guarantees of legal and social protection for servicemen and their families. While tackling all these tasks a high standard has been maintained in implementing the programs and plans of operational, combat, and political training and the Armed Forces' combat readiness has been maintained at the necessary, sufficient level.

Army and Navy servicemen greet the New Year of 1991 with a sense of having honestly discharged their filial duty to the homeland. At a difficult and extremely crucial time for the country's future, one full of contradictions and problems, they are carrying out their martial labor with dignity and are ensuring—often in a complex and sometimes even extreme situation—the conditions necessary for Soviet people's constructive labor, security, and peace.

This coming year will be a year of decisions that are crucial to and of vital importance for all the peoples of our multinational motherland, a year of implementing large-scale tasks of perestroyka and the renewal of Soviet society. It will mark another milestone in military reform, the transformation of the Armed Forces on the basis of reasonable defense sufficiency, and the prioritizing of qualitative parameters in the composition, structure, technical provision, and training of the Army and Navy. There is no doubt that the personnel of the Armed Forces will demonstrate high professionalism, responsibility, and determination in tackling their assigned tasks and will unstintingly improve their combat skills and strengthen organization and discipline.

The USSR Armed Forces represent a united combat family. The sons of all the peoples of the Land of the Soviets serve shoulder to shoulder under their combat banners, which are covered with the unfading glory of victories. Wherever they are born and whatever nationality they belong to, the officers and men regard it as their sacred duty to strengthen our common home—the Union of Soviet Socialist Republics—and to cherish the combat fraternity, friendship among soldiers, and military comradeship bequeathed us by older generations.

I wish you, Comrade Servicemen, success in discharging your sacred duty as defenders of the motherland!

I send words of cordial greeting to the families of military servicemen and our combat helpmates, who share with us all our joys and woes and all the deprivations and hardships of service and who make their own inconspicuous but considerable contribution to maintaining the troops' combat readiness and ensuring the country's defense capability. Much has been done this past year to improve the social and everyday living conditions for servicemen's families. Many painful problems, some of which are acute, we unfortunately failed to remove. This coming year all the efforts and resources at the Defense Ministry's disposal are being channeled into resolving them—particularly into radically increasing the rate and volume of housing construction. These constitute the immediate and priority tasks of military reform.

My sincere New Year's greetings and warmest wishes go out to Great Patriotic War participants and Armed Forces veterans. Thank you, dear comrades, for your martial and labor feats, for your heroism and courage, for your contribution to renewing society and consolidating all patriotic forces, and for your unstinting work in inculcating in young people a spirit of loyalty to the cause of the October Revolution and the revolutionary, labor, and combat traditions of the Soviet people and selfless devotion to our socialist homeland.

The year we are entering marks the 50th anniversary of the start of the Great Patriotic War, its first unprecedentedly difficult battles and incredibly heavy and grim losses; but also of the year of the first victories over the aggressor. These unforgettable events of 50 years ago inscribed tragic and glorious pages in the lives of the generation which defended its homeland with might and main and by its unparalleled heroism and fortitude laid the foundation for our great victory and saved mankind from fascist slavery. The martial and labor feat of that generation was and will remain for ever an unfading moral guideline for young people and for the formation in them of a readiness to defend the socialist option of those from whom they take over in serving the homeland. The Soviet people resolutely reject the blasphemous, outrageous acts perpetrated by national-separatist forces against the graves and blessed memory of servicemen who carried out their patriotic duty to the end and all attempts to denigrate our country's history, and they will not allow any impairment of one of the main bulwarks of the people's patriotic consciousness—our attitude to military service, which is a duty of honor for the citizen, and the defense of the fatherland, which is a sacred duty.

I send words of gratitude and most profound respect on New Year's Eve to the parents of servicemen who have raised and brought up marvelous sons who are carrying out their service with dignity in the Army and Navy. The social nature of our Army as an integral part of the people is embodied in the daily vital link with the parents and the families and friends of officers and men, labor collectives, and public organizations. The Army has and can have no interests or goals distinct from those of the people. Indeed the vital source of the great morale, fortitude, heroism, and courage of Soviet servicemen and of the combat might of our Armed Forces lies in their fusion with the people and the people's support and concern.

In the days leading up to the New Year the Ministry of Defense has received tens of thousands of letters and telegrams from every corner of our country from people of different ages, professions, and nationalities. They contain words of gratitude for faithful service to the people and the homeland and ardent approval and resolute support for the measures designed to defend the honor and dignity of servicemen, the prestige of military service, and the authority of the Armed Forces. The servicemen of the Army and Navy value this support immensely and express sincere appreciation to everyone who shows understanding of the existing difficulties and problems and takes a constructive part in solving them and to everyone who by their own labor creates and strengthens the material foundation for the Armed Forces' combat readiness and ensures that the defense of our great homeland—the USSR—is maintained at the proper level.

A happy New Year to you, Dear Comrades, and may you enjoy good health, prosperity, and happiness!

[Signed] Marshal of the Soviet Union D. Yazov, USSR defense minister.

Yazov Attends Wartime Gen Luchinskiy's Funeral

PM3012151190 Moscow PRAVDA in Russian 29 Dec 90 Second Edition p 3

[TASS report: "Final Journey"]

[Text] On 28 December USSR Armed Forces servicemen and working people accompanied on his final journey Hero of the Soviet Union Army General Aleksandr Aleksandrovich Luchinskiy, prominent Soviet military commander and active participant in the Civil and Great Patriotic Wars.

The Red-Banner Hall of the M.V. Frunze Soviet Army Central House, where the coffin bearing the body of the deceased was placed, was arrayed in funeral attire. The base of the coffin was surrounded by wreaths.

The honor guard comprised Marshal of the Soviet Union D.T. Yazov, USSR defense minister, USSR deputy defense ministers, and military commanders.

The funeral ceremony took place at Novodevichye Cemetery, where A.A. Luchinskiy was buried.

Servicemen Allowed To Carry Personal Weapons

LD2912123490 Moscow TASS International Service in Russian 1145 GMT 29 Dec 90

[Text] Moscow, 29 Dec (TASS)—Incidents of servicemen being subjected to attacks and insults to their honor and dignity by extremist and criminal elements in public places and on public transportation continue in certain regions of the country. The number of cases of violence and threats of reprisal against servicemen's families is increasing.

As a result, the press center of the USSR Ministry of Defense reports today that the USSR minister of defense has permitted officers, naval and Army warrant officers, and servicemen on extended military service, who are serving or find themselves on temporary duty in such regions, to carry personal weapons.

Baltic Republics

Estonian Capital Introduces 'Strict Rationing'

LD3012224390 Moscow Domestic Service in Russian 2100 GMT 30 Dec 90

[Text] Strict rationing is being introduced in the capital of Estonia from 1 January 1991. Underwear, hosiery, tobacco articles, and matches will be sold on a limited basis in exchange for coupons.

USSR MVD Withdraws Troops From Estonia

91UN0582A Moscow KOMSOMOLSKAYA PRAVDA in Russian 25 Dec 90 p 1

[Article by KOMSOMOLSKAYA PRAVDA correspondent G. Sapozhnikova: "Convoy Go Home!"]

[Text] Tallinn—The Estonian Government is in some confusion—the USSR MVD [Ministry of Internal Affairs] has prepared a present. In connection with the fact that the Estonian Republic did not support the autumn Army call-up, as of 25 December the internal troop regiment of USSR MVD troops which guards the investigative confinement facility will be removed and convoy service terminated.

The republic MVD is urgently preparing to use its own forces for defense against the criminal world, and the government is allocating special funds for this purpose. At the same time, training of an additional contingent of confinement facility employees will begin in Tallinn with the new year.

Savisaar Cited on Union Treaty Refusal

LD2912133790 Moscow TASS in English 1313 GMT 29 Dec 90

[By TASS correspondent Albert Maloveryan]

[Text] Tallinn December 29 TASS—Refusal to sign a Union treaty is a strategic aim of Estonia's "eastern policy" targeted to restore the republic's state sovereignty, Estonian Prime Minister Edgar Savisaar said in an interview with local newspapers.

Estonia was among the proposers of the plan to work out and sign a new Union treaty. Now, supporters of the republic's sovereignty and self-determination unanimously say that the time to sign a treaty has been lost. They aim to block the signing and strengthen political, economic and cultural ties not with the Centre, but with the republics themselves.

Far from all residents of the republic support the official rejection of the Union treaty. V. Udam, an initiator of organising agro-industrial complexes in the republic, believes that a Union treaty will exert a noticeable influence on Estonia whether or not it actually signs the treaty.

That is why it is necessary to search for a compromise, he said.

Riga Blasts Cause Tension, Military 'Discontent'

Vilnius Radio Comments

LD2912174190 Vilnius International Service in English 2230 GMT 28 Dec 90

[Excerpt] During the past few days, reports have been coming in from Latvia about a series of explosions and the discontent of the military with the present situation and the decisions of the Latvian Supreme Council. The blasts have taken place in this or that place of Latvia with no witnesses present and under very strange circumstances. The Soviet propaganda machine is ready to make use of every small occasion to heighten the tension between the local population and the Soviet occupationist army. We can only imagine the inner rage of the Soviet military personnel unused to the quiet resolve of the Latvians. However, this remains to be guessed only. We should report exact facts. Still, sometimes the conclusions seem to be evident enough. In case the Kremlin manages to break the resolve of one of the three Baltic republics, the Soviet would be able to dictate their conditions, and let me remind you at this point that Latvia is situated in between Lithuania and Estonia. However, the decision of the Latvian people is firm and final and Moscow should honor it. The Latvians (?move) more slowly towards independence than Lithuanians do, but they are resolute enough. Here is (?Aldis Perps) with the details on the line from Riga:

[Perps] In contrast to the peaceful Christmas atmosphere in Riga, a number of new blasts have resounded at secondary school number 70 in [name indistinct] district, in [name indistinct] area at the teachers' hostel of Biryuzov Military School, nearby one living house and in front of the gates of (?Railwaymen Hospital). The total number of blasts are considered to be about 15 during the two recent months. There are no casualties.

Aloizs Vaznis, minister of the domestic affairs of Latvia, speaking on the TV news program Panorama, noted that these actions can be classified as subversive activities and may deserve even the capital punishment. He also underlined that the sites have been carefully chosen to confront the Soviet Army and the civilian inhabitants as well as to provoke national conflicts. (Andre Zinkulis), the mayor of Riga, said in his turn that the moral damage is far greater than the material loss.

The USSR people's deputy, lawyer Yuriy Bojars, introduced a deputy enquiry to Mikhail Gorbachev asking if he is going to accept a bloodshed and place under the command of the Soviet Army the Latvian nation. Mr. Bojars was also concerned that up 'til now the Soviet military headquarters is not denying their assistance in the blasts. It is important to note that the USSR minister of defense, Dmitriy Yazov, in his interview during the People's Deputies Congress openly announced that monuments to the Second World War Latvian legion soldiers

were demolished by the Soviet Army troops. Ending his deputy enquiry, Yuriy Bojars asked Mikhail Gorbachev if he, being the highest commander of Soviet military troops, has been informed about those events and was accepting them. He also inquired if all this was not a contradiction with fame of the Nobel Peace Prize winner.

Replying to chain of blasts, local authorities of Riga decided to guard the objects of extreme importance—hospitals, factories producing food, systems of water supply, and [word indistinct]. These extra measures will continue 'til 15 January 1991. The Ministry of Domestic Affairs of Latvia increased the award for helping to find criminals. Now it is a new car and 4,000 rubles. Our Supreme Soviet is starting to discuss this question of explosions today at three o'clock. [passage omitted]

Internal Affairs Chief Interviewed

LD2812154890 Moscow Domestic Service in Russian 1400 GMT 28 Dec 90

[Excerpts] Last night, Riga was awakened once more by explosions. At the microphone is our Riga correspondent Ninel Meshkun.

[Meshkun] Riga seems to be becoming a frontline town. A wave of explosions rolled forward again last night. [passage omitted] I interviewed (Viktor Fedorovich Bubayan), head of the Riga internal affairs administration.

[Begin (Bubayan) recording] We have already investigated all 15 explosions that occurred during the autumn and winter of 1990 and, proceeding from an analysis of the attacks, concluded that some of the crimes—the explosions—were committed by hooligan elements. We have already solved one crime, and one person has been arrested.

The decision was made today to press criminal charges in accordance with Article 68—sabotage—as previously we had pressed charges of hooliganism in accordance with Article 204 of the Latvian Criminal Code—hooliganism marked by particular cynicism or audacity, as well as deliberate destruction of state property.

I think those articles are too soft. Why? Because here there is already a blatant purposefulness, a challenge to society, to create even more of a political clash within the city and the republic. Meaningful sanctions are also envisaged.

In the town executive committee today, a series of concrete measures has just been outlioned to provide assistance to inhabitants of the city of Riga, so that there will not be excessive panic, and to provide assistance in eliminating the consequences that result. [end recording]

'Extra' Security Measures Taken

LD2912120390 Moscow TASS in English 1142 GMT 29 Dec 90

[Text] Riga December 29 TASS—The Latvian Government has enforced extra security measures following a series of bomb attacks here.

It authorised police, until January 15, to conduct spotchecks on people and stop motor vehicles for interior and luggage examination.

Beginning today, local authorities, ministries, other agencies of state administration and enterprises, regardless of their departmental affiliation, must tighten security around economic facilities, government institutions and apartment houses pending further instructions by the Latvian Government.

Latvian Interfront Congress Opens in Riga

PM2412120490 Moscow KRASNAYA ZVEZDA in Russian 22 Dec 90 First Edition p 3

["Direct Line" report by correspondent Lieutenant Colonel A. Ranevskiy: "Interfront Congress"]

[Text] Riga—The Third Congress of the International Front of Latvian Soviet Socialist Republic [SSR] Working People has started work in conditions of fierce political confrontation, unleashed in the republic by ethnic-separatist forces. Obviously not only the delegates had been preparing for the event. On the night of 12 December there was an explosion outside the entrance to the Latvian Communist Party social and political center building.

Interethnic passions were fueled by an unprecedentedly provocative statement by the Latvian People's Front [LPF] "To All Supporters of Latvian Independence," which formulates the tasks to be carried out in the actions before and after so-called "H" hour.

The statement contains appeals to join special detachments of voluntary guardians of order, to immediately inform LPF coordinators of any changes in the stationing of troop units, and to prepare for underground work. The "Equality" faction in the republic's Supreme Soviet called this LPF action an attempt to create an atmosphere of hysteria in society.

In his accountability report at the Third Interfront Congress, I. Lopatin, chairman of the Interfront republican council, expressed deep concern over the crisis in Latvia and anxiety about people's future. He stressed that in the present situation it is necessary to unite all constructive forces who are countering the ethnic radicals' reckless policy with a realistic program to resolve the crisis.

Lithuania Debates Resolutions on Soviet Talks

Landsbergis Reads Drafts

LD2812210190 Vilnius Domestic Service in Lithuanian 1340 GMT 28 Dec 90

[Draft resolutions on talks between Lithuania and the USSR Government, read by Lithuanian Supreme Council President Vytautus Landsbergis during the afternoon session of the Lithuanian Supreme Council, in Vilnius—live]

[Text]

On Interstate Negotiations Between the Republic of Lithuania and the Soviet Union

The Supreme Council of the Republic of Lithuania, in striving to create the most favorable conditions for negotiations between the Republic of Lithuania and the USSR, bearing in mind that the USSR delegation does not agree to sign a protocol on the beginning of these interstate negotiations, the principles of which were approved by the Supreme Council of the Republic of Lithuania in its statement of 29 June 1990 and its several resolutions, resolves:

1. To revoke the statement of the Supreme Council of the Republic of Lithuania and other conditions for the beginning of the negotiations defined in the resolutions of the Supreme Council of the Republic of Lithuania of 5 July, 11 July, 7 August, and 21 August.

2. To allow the delegation of the Republic of Lithuania to start interstate negotiations with the USSR without the previously defined protocol on the beginning of the negotiations, without violating the sovereignty of the Lithuanian state.

3. This resolution comes into force on the day of its adoption.

The second document is an untitled resolution:

The Supreme Council of the Republic of Lithuania, stating and confirming that the people of Lithuania in their mass campaigns of collecting signatures in 1988 and 1989 and their participation in the multiparty elections in 1989 and 1990, the first after the annexation in 1940, expressed with their free decision the unquestionable will to defend Lithuania's sovereignty and restore Lithuania's independent state, which was finally accomplished by the Supreme Council of the Republic of Lithuania by its act of 11 March 1990, stating that nobody can interfere in the internal affairs of the Republic of Lithuania and envisaging that some future basic problems of the life and defense of the independent Lithuanian state, its internal and foreign policy, in accordance with the laws of the Republic of Lithuania, can be solved by the way of free choice of its citizens—a referendum—resolves:

1. To instruct the Presidium of the Supreme Council of the Republic of Lithuania to draw up a draft document on the contents of the most important referenda which may be proposed in the Republic of Lithuania, the conditions of their implementation and methods.

2. To submit this project to the Supreme Council no later than [day indistinct] June 1991.

Legislature Approves Negotiations

AU2812182190 Paris AFP in English 1813 GMT 28 Dec 90

[Text] Moscow, Dec 28 (AFP)—The Lithuanian parliament agreed on Friday to unconditional negotiations with Moscow on independence, waving restrictions it had earlier sought for opening talks, local sources reported.

The parliament voted by 82 votes to nil, with three abstentions, to do without the "protocol" which would have defined the framework for negotiations between the Kremlin and the Baltic republic. Lithuania proclaimed unilateral independence on March 11.

Lithuanian President Vytautas Landsbergis told deputies the new move would "make clear if the Soviet Union really wants to enter into negotiations" with Lithuania.

Efforts to begin negotiations had bogged down in the summer.

Lithuania is to declare a 100-day moratorium on its independence declaration as soon as negotiations get under way.

Soviet President Mikhail Gorbachev has won approval from the Congress of People's Deputies for a referendum in each of the 15 Soviet republics on whether people want to remain in the union.

Lithuania, Latvia and Estonia have rejected the idea of a referendum, arguing that they were illegally annexed by the Soviet Union in 1940 and that they do not recognize Soviet laws.

Landsbergis Discusses Soviet Relations Future

Sees 'New Prospects'

LD2812212490 Moscow Domestic Service in Russian 1900 GMT 28 Dec 90

[Text] Lithuanian Supreme Soviet Chairman Landsbergis believes the decision on interstate talks between the Republic of Lithuania and the Soviet Union adopted by the Supreme Soviet today offers new prospects for relations with the USSR. This document, which urges that the protocol on commencing talks laid out earlier be disposed of, offers a new way of resolving the problem, he said. The head of the Lithuanian parliament believes the revocation of documents which set the conditions for commencing talks should break the deadlock over talks with the Soviet Union.

Ozolas Views Talks

LD3012135690 Moscow TASS in English 1337 GMT 30 Dec 90

[By TASS correspondent Kazys Uscila]

[Text] Vilnius December 30 TASS—"We hope that a meeting of the delegations from the Lithuanian Republic and the Soviet Union will take place right after the New Year holidays," said Lithuanian Deputy Prime Minister Romualdas Ozolas.

Ozolas, who is also the co-chairman of the Lithuanian-Soviet working group to prepare for the talks, commented on the resolution "On the Inter-State Talks Between the Lithuanian Republic and the USSR" adopted by the Lithuanian Parliament on December 28.

The Lithuanian side earlier said it was ready to begin talks with the Soviet Union only if a protocol was signed, in which Lithuania is recognised as a sovereign and equal state.

The resolution adopted two days ago recognises these conditions as no longer valid. The state delegation was permitted to "begin inter-state talks with the USSR without the preliminary protocol on the beginning of the talks." It says that the talks should not allow "a violation of the Lithuanian state's sovereignty."

Ozolas believes that this document should "make it easier to begin the talks but not the talks themselves." At the same time, he expressed confidence that "there will be positive shifts."

He described the issues of "opening borders for our communication with the world" and "the range of problems pertaining to the stay in Lithuania of units of the USSR Armed Forces, deployed on its territory" as urgent and subject for immediate discussion.

Lithuanian President Vytautas Landsbergis sent a letter to Icelandic Prime Minister Steingrimur Hermannsson, saying that he "accepts the Icelandic Parliament's proposal to conduct the Lithuanian-Soviet talks in Reykjavik."

Brazauskas Meets Press on Resources, Economy

LD2912234490 Vilnius International Service in English 2230 GMT 29 Dec 90

[Text] Lithuanian Deputy Prime Minister Algirdas Brazauskas has said today in a news conference that the government has managed to resolve the problem of supplying Lithuania with natural and material resources. Lithuania will not be left without power resources. It has enough of bread again, and it will be able to buy fodder grain that it needs. Agreements were made with Lithuania's eastern neighbours on the necessary supplies of sugar, oil, and other basic foodstuffs. However, noted Algirdas Brazauskas, Lithuania's economy has been undermined by the disintegration of the Soviet economy and the process of skyrocketing inflation now underway in the USSR. Consequently, there is nearly 1 billion of rubles circulating in Lithuania that is not covered by commodities. Some of the valueless money was brought to Lithuania by entrepreneurs who had sold their commodities elsewhere. Mr. Brazauskas said that the state will keep the prices of the daily (?necessities) state regulated while other prices will be liberalized. We will have to endure a lot of hardships next year since the road towards independence is not paved with good intentions only, concluded Algirdas Brazauskas, deputy prime minister of Lithuania.

Party Leader Denies Troop Arrival 'Rumors'

LD2812174190 Moscow World Service in English 1600 GMT 28 Dec 90

[Text] One of the leaders of the Lithuanian Democratic Party of Labor, Kirkila, has dismissed speculations about Moscow's military pressure on his republic, whose political leaders have repeatedly stated they will not sign a new treaty of the union. Kirkila says that rumors of the arrival of troop reinforcements in Lithuania have nothing to do with the real situation. He explained that many Soviet army units being withdrawn from the countries of Eastern Europe were simply crossing Lithuania on the way to their permanent location.

Soviet Soldiers Occupy Vilnius Building

LD2812233690 Vilnius International Service in Lithuanian 2200 GMT 28 Dec 90

[Text] The newspaper LIETUVOS AIDAS [ECHO OF LITHUANIA] reports that yesterday armed Soviet soldiers occupied by force the premises of the former paramilitary DOSAAF [Voluntary Society for Promotion of Army, Aviation, and Navy] organization at Jono Basanaviciaus Street in Vilnius. The servicemen declared that they would guard the so-called military trade administration situated in that building from possible provocations. A network of small shops operating in the city and in military units belongs to that administration. Official Lithuanian institutions did not respond to this incident.

Lithuanian Union Chairman Resists Strike Call

LD2812141190 Vilnius Domestic Service in Lithuanian 0826 GMT 28 Dec 90

[Excerpts] USSR People's Deputy and Chairman of the Lithuanian Free Trade Unions Marijonas Visakavicius made the following statement at today's Lithuanian Supreme Council session:

Esteemed chairmen and esteemed deputies; On 22 December the Trade Union Council discussed the possibility of proclaiming a warning strike. After examining the situation, it complied with the demands of representatives of the collectives to form strike committees and, if their demands are ignored, take joint coordinating actions.

Is it time now to strike? No, no, and once more no. It would mean not only economic losses, but also political defeat which would be immediately used by the center. Therefore, I propose that a search for compromises should start at once. The path of Eastern Europe countries [word indistinct] meetings and strikes would be disastrous to us. There exist at present uncertainty and division in Lithuania. This is greatly influenced also by the adopted laws and by those which are being prepared. The mechanism of their influence is not clear. Abstract explanations that all this is being done in the name of independence are doubtful. Independence is the sacred will of the whole nation, and we can strive for it only in unity, without looking for enemies. The citizens must see the perspective—what they can expect tomorrow. [passage omitted]

What can Lithuania's citizens expect today? Rising prices, empty shops, unemployment, compensations to one group of people and the creation of a group in debt for crimes they did not commit. The countryside is in despair. After the return of land to its owners, many people remain without land and homes and in debt. The promise that the workers will earn more if they work harder is unreal until the supply of raw materials is solved. [passage omitted]

It is essential at present to clearly state the attitude of the legislature, government, and trade unions, explain to people the truth, admit errors which have been committed, and search for compromises. [passage omitted]

Trade unions have received many justified and unjustified accusations, but they are as we managed to form them. I can state with full responsibility that Lithuania's free trade unions will act independently of the legislature, government, and any party. Therefore, I ask to consider in the most serious manner our proposals and demands in many problems. [passage omitted]

In conclusion, I once more appeal to your wisdom and responsibility to the nation and propose that ways of removing tension be sought. This could be achieved by tripartite agreements between the representatives of the legislature, government, and trade unions. [passage omitted] Other forms of negotiations would be acceptable, too. [passage omitted] Any strike means destruction, and we must not destroy but create. Thank you for your attention.

RSFSR

Legislature Accepts Minister's Resignation

LD2912124990 Moscow World Service in English 1200 GMT 29 Dec 90

[Text] The Presidium of the Supreme Soviet of the Russian Federation has accepted the tender of resignation by the finance minister, Boris Fedorov, said to have been caused by differences with the government on financial policy. Russia's deputy prime minister, Yuriy Skokov, speaking in an interview, described Boris Fedorov as a sound economist. However, the conflict, he said, broke out after Fedorov [words indistinct] dismissing criticism over next year's budget. Because of the intensive work ahead, the Russian Government had to dismiss Fedorov as minister.

Moscow Party Chief Rejects Dictatorship

LD2912132890 Moscow World Service in English 1200 GMT 29 Dec 90

[Text] The party chief in Moscow, Yuriy Prokofyev, has expressed optimism about improving the country's prospects in the coming year by joint efforts. Speaking in an interview on New Year's Eve he called for civic accord and for a breakthrough in improving, at least partially, living standards. Yuriy Prokofyev believes most parties and movements, except what he described as extremists, are in support of further democratic reform. Neither the conservatives nor left-wing radicals, he said, are seeking dictatorship.

Patriarch Asks Yeltsin for Religious Holidays

PM2812144190 Moscow IZVESTIYA in Russian 27 Dec 90 Union Edition p 8

[TASS report: "Letter from Patriarch Aleksiy II"]

[Text] In his letter to RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet Chairman B.N. Yeltsin, Patriarch Aleksiy II of Moscow and All Russia, who is also a USSR people's deputy, has requested that, as from 1991, the first day of Christmas, celebrated 7 January in the Russian Orthodox Church, and Good Friday before Easter be declared holidays.

Here the patriarch cites the RSFSR law on freedom of worship, which decrees that republic state organs are granted the right to make decisions on declaring major religious holidays nonworking days in response to requests from mass religious associations.

Yeltsin Visits Yakutsk To Discuss Sovereignty

To Address Supreme Soviet

LD2812125190 Moscow Radio Rossii Network in Russian 1104 GMT 28 Dec 90

[Text] It has already been reported that Boris Yeltsin, the head of Russia's legislature, left for Yakutsk yesterday. TASS and other sources of information, however, have so far not reported about his stay there.

According to preliminary information, it is expected that he will speak at the session of the Supreme Soviet of Yakutsk, which declared its sovereignty recently. The problem of Yakutsk independence is expected to be one of the main ones during Yeltsin's visit to the republic.

Tours Yakutiya Region

LD2812194690 Moscow Domestic Service in Russian 1630 GMT 28 Dec 90

[Text] Boris Nikolayevich Yeltsin, chairman of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet, who is paying a visit to Yakutiya, left for the Anabarskiy rayon, one of the most remote rayons of the northern zone, this morning. From Saskylakh settlement, the rayon center, the RSFSR president and those accompanying him were taken to the Anabarskiy farm by helicopters. A conversation took place in a house of reindeer-breeders. It touched upon a number of issues concerning life in Yakutiya's northern rayons, in particular issues of tackling social and ecological problems.

On his return to the rayon center, Boris Nikolayevich Yeltsin had a long conversation with people of Saskylakh, which took place right in the streets in forty degrees of frost.

After that the RSFSR Supreme Soviet chairman flew to Udachnyy, the town of diamond-miners. A meeting with the public took place there as well. Comrade Yeltsin visited the Udachnaya diamond quarry, workshops at Factory Number 12, and the Aybolit kindergarten. Responding to journalists' questions, the Russian president expressed his great satisfaction with the way economic and social issues are being tackled at the Udachnenskiy mining and enrichment combine.

Boris Nikolayevich Yeltsin arrived in Yakutsk late tonight. He will get acquainted with the capital of the Yakut-Sakha Soviet Socialist Republic; take part in the work of the republic's Supreme Soviet session; visit enterprises, establishments, and the university; meet activists; and hold a news conference on 29 December.

Says RSFSR Recognizes Sovereignty

LD2912145190 Moscow Domestic Service in Russian 1400 GMT 29 Dec 90

[Excerpt] [passage omitted] Boris Yeltsin noted that the Russian Soviet Federated Socialist Republic Supreme Soviet officially recognizes the sovereign status of the Yakut-Sakha Soviet Socialist Republic

Speaks to Irtusk Residents

LD3012175690 Moscow Domestic Service in Russian 1300 GMT 30 Dec 90

[Report by correspondent Vyacheslav Stepanov in Yakutia]

[Text] [Stepanov] A harsh timetable was prepared for the Russian president—hundreds of kilometers across a republic occupying a seventh of the area of the country. Airplane, helicopter, car, and meetings, meetings, meetings. It was good that Boris Yeltsin did not promise blessings or manna from heaven. He was extremely frank in his assessment of the situation into which the revived Russia is being born. He welcomed the declaration of sovereignty by the northern kray, but never tired of emphasizing that this form of statehood is compatible with maximum independence and initiative. I think that you will be convinced of this by an excerpt from the speech of Boris Nikolayevich Yeltsin, the chairman of the Supreme Soviet of the Russian federation, to the people of the city of Irkutsk.

[Begin Yeltsin recording] Of course, this is a completely unusual impression. It goes without saying that these are extreme conditions. People have been working in these extreme conditions and, still, have created unique production—Yakutalmaz [Yakut Diamand Association] in the town of Udachnyy. It is an interesting town, with interesting factories. A particular cultural tradition. Social issues have been resolved quite well. I have been to see reindeer breeders. I have been to rayons and settlements. I have managed to participate in an unusual rally in Anabarskiy rayon in a temperature of 50 and an open air rally. Here at Yakutsk University, in the city soviet and the technical school, wooden props are rotting and are on the verge of collapse. There are many such as this, we have realized. We have therefore allocated greater investments and corresponding financing, but you have to develop talent yourself. We must conquer the budget and defend it. It is another thing to realize the monthly plan. You have to do that yourselves. The main effort is on your shoulders.

Of course, the people are industrious, with good traditions. Their cultural traditions are also good. I mean that the peoples have deep roots—the Yakuts, the Oleneks, the Russians who live on Yakut land, and others, need only the conditions, and I am sure that the Yakut republic and the peoples of Yakutia are of course capable of living better and arranging their life better with our assistance. [end recording]

Yakutiya To Sign Treaty

LD3012110490 Moscow TASS International Service in Russian 0937 GMT 30 Dec 90

[By TASS correspondent Dmitriy Bubyakhin]

[Text] Yakutsk, December 30 (TASS)—"Yakutiya is to sign a federative treaty with Russia. Now its government has a greater right to manage its own resources and to see that the life of the working people improves." This was stated by Boris Yeltsin, chairman of the Russian Soviet Federated Socialist Republic Supreme Soviet, in his interview with journalists before he left Yakutiya.

For three days he stayed in Yakutiya, where he visited the remotest parts of the republic. He thoroughly familiarized himself with its problems. In spite of frosts often 50 degrees below zero, the program of the visit was fully implemented by the head of the Russian Supreme Soviet.

'Tens of Thousands' Demonstrate in Chita

LD3012160690 Moscow Domestic Service in Russia 1500 GMT 30 Dec 90

[Text] Mass disturbances have darkened the end of the year in Chita. Tens of thousands of residents in the oblast center could not receive any wine and spirits in exchange for their ration cards, and crowds of people came out into one of the main streets in the city. On the roads traffic came to a halt. Fires occurred. During the improvised rally Chita residents demanded a meeting with representatives of local organs of power. Only thanks to the patience and the unemotional attitude of the militia employees who arrived there did emotions remain in control. The situation in Chita remains turbulent.

Chelyabinsk Prepares Passes for Curfew

PM2812161090 Moscow PRAVDA in Russian 26 Dec 90 Second Edition p 6

[Report by correspondent V. Cherepanov under the rubric "Local Press Sensations": "Waiting for 'H' Hour?"]

[Text] GOLOS [VOICE], the Chelyabinsk City Soviet's weekly newspaper, has printed a sample of a permit "For the Right to Move Around the City During a Period of Special Regime" on its first page. "While people are racking their brains over the difficult yet completely peaceful question of where to get food for the New Year celebrations," the newspaper reports, "the Gorispolkom [city soviet executive committee] Internal Affairs Administration is making real preparations for the introduction of a curfew...."

Alas, this is not a New Year joke. The form which was published was discovered in one of the printing offices where a huge reserve of such permits is kept. The GOLOS correspondent requested an explanation from Militia Colonel V. Dushko, and deputy chief of the Gorispolkom Internal Affairs Administration. This is how the conversation progressed.

"These permits were printed just in case," he replied. "Better safe than sorry, right? Imagine, a state of emergency could be announced tomorrow, but we won't lose our heads: Everything's ready..."

[GOLOS] "Where did you get hold of the sample permits? Who are they intended for?"

[Dushko] "The original idea for the permits was nothing to do with us—the samples were sent to us by our comrades from Azerbaijan. It is not for me to decide who will be issued with them, it is for the commandant..."

The publication is entitled—"All set for ... the curfew." It would seem that there is only one thing for the citizens to do—look upon this as something which cannot be avoided, and wait patiently and without complaint for the arrival of "H" hour.

Western Republics

Moldova Discusses, Accepts Gorbachev Decree

Gagauz Official Shows Support

LD2812131290 Moscow TASS International Service in Russian 1205 GMT 28 Dec 90

[By Moldova-Pres-TASS correspondents Anatoliy Golya and Aleksandr Tanas]

[Text] Kishinev, 28 Dec (TASS)—"The Gagauz people are prepared to carry out the USSR president's decree "On Stabilizing the Situation in Moldova Soviet Socialist Republic [SSR]" on the condition that the opposite side will carry it out too," Stepan Topal, chairman of the Gagauz Republic Supreme Soviet, has said. The Moldovan legislature has deemed illegal the creation of the Gagauz Republic. In a telephone interview with the Moldova-Pres-TASS correspondents, he noted, however, that he is not sure that the Moldova SSR Supreme Soviet would carry out all the clauses of the decree of the country's president. "I am looking at the requirements of the decree with our opponents' eyes, and think, therefore, that to carry them out would mean nothing other than the legislature's resignation," Stepan Topal stressed.

It is expected that the Moldovan legislature will reveal its attitude to the USSR president's decree "on stabilizing the situation in Moldova SSR" at today's plenary meeting.

Military Involvement Denied

LD2912181290 Moscow TASS International Service in Russian 1652 GMT 29 Dec 90

[By MOLDOVA-PRES correspondents Anatoliy Golya and Aleksandr Tanas]

[Text] Kishinev, 29 (TASS)—A number of peoples' deputies representing Moldova in the USSR Supreme Soviet have been attending the debate in the Supreme Soviet of the Moldova SSR on the decree by USSR president Mikhail Gorbachev "on the stabilization of the situation in Moldova." They include Marshal of the Soviet Union Sergey Akhromeyev, adviser to the country's president on military questions. In an interview with correspondents for the national news agency MOLDOVA-PRES, Akhromeyev discussed his readiness to do the utmost to ensure the implementation of the USSR president's decree, which, as he put it, is aimed at stabilizing the socio-political situation in Moldova.

When the correspondents asked whether the decree was not an infringement of Moldova's sovereignty, Sergey Akhromeyev said: "In my view, the contents of Mikhail Gorbachev's decree do not encroach on the republic's sovereignty. Its purpose is to resolve differences that have arisen with the population in the Dnestr region and in the south of Moldova." The marshal believes that all

the points in the decree will be complied with and that the Moldavian people, who are friendly and hospitable, will interpret it correctly.

Marshal Akhromeyev said the rumors spreading in Moldova on the possible imposition of a so-called curfew and of presidential rule in the republic are just as unfounded as the rumors of a military dictatorship seeking power. The USSR Armed Forces are fulfilling their duty toward the people. They are subordinate to the Supreme Soviet and to the president of the country. Sergey Akhromeyev underlined that talk of a military coup is just ill-intentioned disinformation.

"In the meantime, until a new Union treaty is signed," said the marshal of the Soviet Union, "the USSR Constitution and the laws of the Union legislature should prevail in Moldova. As a result of this, I think that the decree of the president of the country on the situation in Moldava should be supported by the republican Supreme Soviet."

Legislature Debates Resolution

LD2912201490 Moscow TASS International Service in Russian 1910 GMT 29 Dec 90

[By MOLDOVA-PRES correspondents Anatoliy Golya and Aleksandr Tanas]

[Text] Kishinev, 29 Dec (TASS)—Discussion of the USSR presidential decree of 22 December 1990 "on normalization of the situation in Moldova" began today at this year's last session of the Moldova legislature.

A draft decision on the prsidential decree proposed by a special commission of the Moldova SSR Supreme Soviet was at once adopted as a basis. It states that the legislative measures passed by the legislature of Moldova do not infringe the rights of persons of non-Moldavian nationality, and the legislature is willing to subject them to independent, unbiased assessment. But "under pressure of the real situation which has arisen, the legislature has decided to return in the very near future to questions of the implementation of a number of legislative measures, decisions, resolutions and declarations previously passed."

It is clear from the draft decision that the legislature does not consider it possible to review its decision regarding the events of 1940, as this follows from the declaration of sovereignty and is "an objective appraisal of the past, which cannot be changed".

The draft decision envisages ratification of the presidential decree's main provisions. This applies to the revision of particular points of the mechanism for implementing the law on the functioning of languages, revision of the resolution concerning the desirability of forming Gagauz autonomy, and the repeal of the resolution "on setting up a republican guard of Moldova".

It is noted that many directives in the presidential decree have already been implemented by the republic's legislature. This concerns the dissolution of voluntary detachments and the cancelling of anticonstitutional decisions concerning the creation of the so-called Gagauz and Dnestr republics. It is stated that such steps have not yet been taken by the leaders of these illegal formations.

The draft also proposes the adoption of specific measures to eliminate contradictions between republican and union legislation and a number of other measures facilitating a normalisation of the situation in Moldova. The discussions in legislature are continuing.

Endorses Gorbachev Decree

LD3012114590 Moscow TASS International Service in Russian 1110 GMT 30 Dec 90

[Report by MOLDOVA-PRES-TASS correspondents Anatoliy Golya and Aleksandr Tanas: "Moldova Legislature Adopts USSR Presidential Decree"]

[Text] Kishinev, 30 Dec— Today the Moldovan legislature adopted, as a whole, the USSR president's decree of 22 December 1990 "On the Normalization of the Situation in Moldova". The document was adopted after it had been analyzed by a commission charged with drafting a decision on the decree and amendments proposed by deputies at the last session of the republican legislature this year.

The decision envisages a review of individual provisions in the mechanism for implementing the language law, a review of the decision on the inexpedience of the formation of the Gagauz autonomous entity, and the repeal of the decision "On the Establishment of a Republican Guard in Moldova". It notes that many points in the presidential decree have already been implemented by the republic's legislature. These include the disolution of volunteer detachments and the annulling of unconstitutional decisions relating to the establishment of so-called Gagauz and Dnestr republics.

The decision of the Moldova legislature also proposes the elimination of contradictions between republican and Union legislation and the adoption of other measures facilitating the normalization of the situation in Moldova.

Snegur on Accepting Decree

LD3012200190 Moscow TASS in English 1923 GMT 30 Dec 90

[Text] Kishenev December 30 TASS—The Moldavian [Moldovan] parliament today adopted a resolution stating it received with understanding the Soviet presidential decree of December 22, 1990 on measures to normalize the situation in the Soviet Socialist Republic of Moldavia [Moldova], which expressed the Soviet president's concern for the need to restore civil concord in the republic and preserve its territorial integrity.

In keeping with the presidential decree, the next session of the Moldavian parliament will review provisions on languages in the republic and its own resolution of July 27, 1990 which rejected the plea for Gagauz autonomy. The Moldavian parliament's resolution to form the Moldavian Republican Guard is to be repealed.

The Moldavian parliament agreed to promulgate laws and adopt resolutions to ensure equal rights for all citizens of the republic regardless of their ethnic background in order to end inter-ethnic strife and continue to restore rights and freedoms to all groups of population, of which they were stripped at one time or another.

The republican government and councils of all levels have been instructed to act in order to ensure housing rights of the servicemen, taking into account the republic's actual potential.

The session was addressed by President Mircha Snegur. He stressed that the newly approved resolution infringed on no one's rights. It aimed to achieve peace and accord.

"As president of the republic," he said, "I promise that directly after new year celebrations we shall begin, jointly with the leadership of the parliament, to implement all provisions of the resolutions you approved today. It was difficult to prepare and adopt this resolution. But we are destined to live and work together on this territory. There is no place to go. I therefore call on all of you, primarily here in the Parliament, to live in peace and accord. I call for peace and conciliation in our sovereign Moldavia as a whole."

Moldovan Deputies Discuss Internal Ministry

LD2812221990 Moscow Domestic Service in Russian 1900 GMT 28 Dec 90

[Text] People's Deputy Malakiy, chairman of a Moldovan collective farm and a member of the Commission for Combatting Crime, was beaten up last night by a group of rampaging thugs. It happened in the central street of the capital, in front of the legislature's building, in the presence of militiamen who did not intervene. Why did it happen? Perhaps because the republic's legislature has rejected the draft decision of the Supreme Soviet of the Moldova Soviet Socialist Republic [SSR] to turn the Union-republic Ministry of Internal Affairs into a national internal affairs ministry. In other words, it was a bid to remove the republic's Internal Affairs Ministry from subordination to the USSR Internal Affairs Ministry. At the insistence of agrarian deputies, this morning's session was addressed by the minister of internal affairs of the Moldova SSR, Kostysh. His information and replies to questions failed to satisfy the deputies, some of whom demanded the minister's immediate resignation. The president of the republic, Snegur, spoke on the main indices of the economic and social development of Moldova SSR for 1991 and the republic's budget for the coming year. He criticized the government of the republic for serious omissions in its work. The republic's economy, he said, has become our main disease. Taking part in the work of the session after a lengthy break is a large group of deputies representing the voters of certain towns and rayons of Pridnestrovye. As for the 10 Gagauz deputies stripped of their mandates, they are still absent. The question of their reinstatement will be decided at a session on 29 December, while on Saturday the legislature will state its views on the decree of the USSR president on measures to normalize the situation in the Moldova SSR.

Moldova President Terms Economy 'Catastrophic'

LD2812191290 Moscow Domestic Service in Russian 1800 GMT 28 Dec 90

[Text] Mircha Snegur, the president of Moldova, has described the republic's economic situation as catastrophic. He was addressing the legislature in Kishinev during a debate on Moldova's economic development for next year. According to Snegur, the budget deficit is expected to be in the region of R1.5 billion. He added that less than 50 percent of the housing program had been completed during the first 11 months of this year. The president said that the republic's government was acting indicisively. This was reported by the INTERFAX agency.

Ukraine Legislature Discusses Union Treaty

LD2812203290 Moscow TASS in English 1932 GMT 28 Dec 90

[Text] Kiev December 28 TASS—Despite some difficulties, especially during the first several days, the session of the Ukrainian parliament was held in a constructive atmosphere, which made it possible to adopt a package of important documents, Ukrainian President L. Kravchuk said at a press conference today.

Describing the work of the republican parliament, he said that it was aimed at giving a principled, legal foundation to the declaration on the state sovereignty of the Ukraine, in order to strengthen it from the legal point of view.

Speaking about the discussion of the blueprint of the Union Treaty at the session, Kravchuk pointed out that despite some difficulties, it did take place. At the beginning of the discussion some deputies demanded: "No to the Union Treaty". However, closer to the end of the session even the opposition began to put forward proposals on this issue. In other words, a constructive work in this direction was started.

Caucasus

Disruption, Violence Continues in South Ossetia

Militia Attacked in Tskhinvali

LD2812183190 Moscow TASS in English 1759 GMT 28 Dec 90

[Report by TASS correspondent Igor Gvritishvili: "Situation Worsening in South Ossetia"]

[Text] Tbilisi December 28 TASS—About 2,000 Tskhinvali residents, incited by local extremists, attacked a group of militiamen at the entrance to the commander's office, took them hostage and carried off in the unknown direction on December 27 in the afternoon, according to the information of the press centre of the Georgian Interior Ministry. Those actions were allegedly in retaliation for the arrest, sanctioned by the republican public prosecutor's office, of Viktor Pukhayev, a local resident, for the illegal keeping of firearms.

The extremists also threatened with physical violence militia workers who were in the commander's office. They drove away and plundered several cars belonging to the militia. They released the hostages only after Pukhayev was set free. The public prosecutor's office of Tskhinvali instituted criminal proceedings. The city and the Dzhava district are still subject to the state of emergency imposed on December 17 and a curfew is in force.

Ministry Reports Tension Down

LD2912182590 Moscow TASS International Service in Russian 1656 GMT 29 Dec 90

[Text] Tbilisi, 29 Dec (TASS)—According to reports by the temporary press center of the USSR Internal Affairs Ministry, tension in the emergency situation region has decreased somewhat in the South Ossetia Autonomous Oblast over the last 24 hours of 28 December. Residents of the city of Tskhinvali have been forming small groups by the internal affairs directorate, holding placards reading: "USSR Internal Affairs Ministry internal troops representative to be appointed rayon's commandant," "We approve of and support the presence and actions of internal Troops," and others.

Five people have been detained for violating the curfew. It was already reported that, on the night of 27-28 December, 44 submachine guns, 40 grenades, more than 10,000 cartridges for submachine guns, and 992 cartridges for pistols were stolen from a depot of the Soviet Army military unit stationed in the neighboring Goriyskiy rayon. The stolen weapons and ammunition have been found and returned as a result of measures that were undertaken. An investigation is under way. The emergency situation in South Ossetia, which forms part of Georgia as an autonomous oblast, was introduced by the Georgian parliament on 12 December in connection with exacerbated interethnic relations there.

Gamsakhurdiya Views Shevardnadze Resignation

AU2812172690 Budapest NEPSZAVA in Hungarian 22 Dec 90 p 2

["Sz.Cs."-signed interview with Zviyad Gamsakhurdiya, president of the Republic of Georgia; on the telephone from Tbilisi, date not given: "A Kremlin Dictatorship Is Conceivable" —first paragraph is NEPSZAVA introduction]

[Text] How did Georgians react to the resignation of their fellow Georgian, Soviet Foreign Minister Eduard Shevardnadze? We telephoned Zviyad Gamsakhurdiya in his office to find out. The Georgian President spoke with overt anger about the tensions caused by Shevardnadze's resignation.

[NEPSZAVA] How do you personally view the resignation of the Soviet Foreign Minister?

[Gamsakhurdiya] I can make no evaluation at all at the moment, because it is still unclear whether we are dealing with a real resignation, or whether this is a game between Shevardnadze and President Gorbachev. I also wonder if the foreign minister is trying to use his statement at the legislature to create a little bit of publicity for himself. A completely inscrutable game has developed between reformists and conservatives.

[NEPSZAVA] Who could win this battle?

[Gamsakhurdiya] Gorbachev is well-known for his incessant tactics, and it is no coincidence that he is seen as the compromise-man of perestroyka. As I see it, however, in the next few weeks we will find out how much strength Gorbachev still has to continue governing this country. Unfortunately, a conservative victory of this battle cannot be excluded, and that would be tantamount to a military dictatorship.

[NEPSZAVA] Do you really think that a Kremlin dictatorship is conceivable?

[Gamsakhurdiya] I seriously think that a dictatorship could come about, especially given the increasing number of signs that have pointed in that direction during the last few weeks.

[NEPSZAVA] What is your opinion on the present session of the Soviet legislature?

[Gamsakhurdiya] Very briefly, I can say that dark forces are trying to interfere and cause disturbances.

[NEPSZAVA] Do you think that after his resignation, Shevardnadze might take on some kind of role in Georgia?

[Gamsakhurdiya] Georgia is fighting for its freedom and independence, and it does not need the Shevardnadze of today. As I see it, the foreign minister clearly toes the Gorbachev line, and for the immediate future I see no sign of Shevardnadze wanting to assist the efforts of his people in any way.

[NEPSZAVA] What are your relations with Eduard Shevardnadze like?

[Gamsakhurdiya] They are as bad as they could be; perhaps this is illustrated by the fact that Shevardnadze's last visit to Tbilisi dates back to 9 April. Since then, for one reason or another, he has not had the time to come home. At the same time, Georgia does not disown its

own son; everything depends on Shevardnadze: Will he put an end to his Moscow games, will he really stand on our side?

Georgia Legislature Bans 'Illegal' Armed Groups

LD2812165790 Moscow TASS International Service in Russian 1600 GMT 28 Dec 90

[By SAKARTVELO news agency correspondents Zurab Grdzelishvili and Eduard Ediberidze]

[Text] Tbilisi, 28 Dec (TASS)—The Georgian Supreme Soviet has banned the establishment and operation of illegal armed groups on its territory. The decision was made today at a regular session of the legislature in this Transcaucasian republic.

Deputies noted that the continued existence of these groups was all the more inappropriate as a law on the establishment of a national guard—internal troops under the jurisdiction of the republic's Ministry of Internal Affairs—was adopted recently in Georgia.

Members of various illegal armed groups have been given a month to hand over any weapons in their possession to Georgian internal affairs organs. Those who do so, the decision says, will not be prosecuted.

Ter-Petrosyan New Year Message Praises Unity

NC3012134390 Yerevan ARMENPRES International Service in Armenian 1215 GMT 28 Dec 90

[New Year message from L. Ter-Petrosyan, Armenian Republic Supreme Soviet chairman, to the Armenian People "to be published in 1 January newspapers"]

[Excerpts] Dear compatriots, a few minutes more and we will bid farewell to 1990 with no regrets and welcome in the new year with new expectations.

It is appropriate at this time to recall the tempestuous events of the last year and to outline the urgent problems facing our republic and the people.

Despite the many ups and downs, 1990 will be recorded in the history of the Armenian people as the year of turbulent events, radical transformations, and the realization of long-cherished national aspirations.

The national liberation movement of the Armenian people, which started with the revolt in Artsakh [Nagorno-Karabakh Autonomous Oblast], arrived at its logical conclusion: The Armenian Republic shook off the colonial yoke under which it had suffered for decades and resolutely embarked on the course of regaining independent statehood. [passage omitted] All our political achievements will be meaningless, however, if in the new year we fail to achieve a similar radical breakthrough in the republic's socio-economic life.

The most important prerequisite for the realization of this radical breakthrough is the privatization of land and of small- and medium-sized enterprises. This will finally ensure the creation of the republic's independent economic infrastructure. Only when each member of the nation owns his own land or has control over the fruits of the work of his hands or his mind will he feel himself the full master of his own country and state. The well-being of the individual, the family, the community, and the free entrepreneurs is the foundation of the well-being of the nation and state.

It should not be forgotten that in the course of effecting these economic transformations, numerous internal and particularly external difficulties may arise. To surmount them, the nation must contribute all its potential and pool the resources of all Armenians abroad and at home.

It is more necessary than ever that our numerous political currents and parties be brought together to unite around the idea of Armenian statehood and its embodiment, the national legislature, setting aside factional disputes and group interests. [passage omitted] It is obvious that all the powers of the people can be united only around national ideas such as the reunification of Armenia and Artsakh or the idea of the restoration of the Armenian statehood. It is also obvious that such a mission can only be realized by an authority with national character. [passage omitted]

Czech President Sends Letter to Ter-Petrosyan

NC3012130390 Yerevan ARMENPRES International Service in Armenian 1215 GMT 28 Dec 90

[Letter from Czechoslovak President Vaclav Havel to Armenian Supreme Soviet Chairman Levon Ter-Petrosyan; date not given]

[Text] Yerevan, 28 Dec (ARMENPRES)—Back in November, Levon Ter-Petrosyan, chairman of the Armenian Republic's Supreme Soviet, sent messages to a number of participants in the high-level Paris Conference on Security and Cooperation in Europe in which he raised the question of Armenia's direct participation in the European processes. Below we give Czechoslovak President Vaclav Havel's reply to L. Ter-Petrosyan:

To Armenian Supreme Soviet Chairman Levon Ter-Petrosyan:
Esteemed Mr. Chairman,

I was very pleased to receive your letter. I would like to assure you that the Czech and Slovak Federal Republic is positively disposed toward the participation of other countries in the Helsinki process.

Your interest in participating in the European processes is understandable: The new Europe should be the joint creation of all peoples who live in it and share its values.

Other republics in the Soviet Union have in recent months been considering their position vis-a-vis the new Union treaty and, under current circumstances, generally lean toward pursuing an independent course. These

republics also seek to participate in the contemporary European processes. During the Paris meeting, we tried to intercede on behalf of the Baltic republics, whose present state and legal status remains a product of the last world war. The Polish delegation also supported their participation in the Conference on Security and Cooperation in Europe.

This process will be a lenghty and complex one. In my view, the details of the new Union treaty must first be defined. This will clarify the de jure and de facto status of Armenia and the other republics which may either raise objections to a Union treaty or decline to join it. After this, the stance of other participants in the Conference on European Security and Cooperation, which are at present not very inclined to expand the Helsinki process, could change substantially.

Czechoslovakia is traditionally well disposed toward Armenia. Even before the collapse of totalitarian regimes in our part of Europe, many Czechs and Slovaks went to Armenia to help heal the wounds it sustained from the tragic earthquake.

In fact, Rudolf Slansky, Czechoslovakia's ambassador to the USSR, visited your country recently and attended the inauguration of the school Czechoslovak builders had helped erect in Armenia.

I personally would very much like to see the relations between our countries extend to other spheres.

[Signed] Yours sincerely, Vaclav Havel.

Yerevan Facing Food, Supply Shortages

LD2912105290 Moscow Domestic Service in Russian 0500 GMT 29 Dec 90

[Report by correspondent Koyrun Khumaryan in Yerevan]

[Excerpts] [Khumaryan] Saying that life has become difficult in Yerevan is an understatement. The food shops are absolutely empty.

From very early in the morning until the shops close, the townsfolk, armed with string bags and food coupons, rush from one corner of the city to the other in the hope of purchasing anything at all. In those shops, where, according to rumors, some goods are to go on sale, lines form during the night, but is is rare that the rumors come true.

Yerevan leaves one with an especially depressing impression during these days preceding the New Year. It is precisely during these days that the chairman of the republic's Council of Ministers, making use of the right granted him recently by the Supreme Soviet, appointed Ambartsum Galstyan, a Karabakh Committee member and also member of the board of the Armenian nationwide movement, as acting chairman of the Yerevan City Council Executive Committee.

[Begin Galstyan recording] [passage omitted] People do not believe anyone; and acting from a well-established habit they visit a member of the Karabakh Committee, thinking that if now a member of the Karabakh Committee is chairman of the Supreme Soviet or the chairman of the Council of Ministers or the city's mayor, he can satisfy everyone.

The city is facing very many problems. In the city there are 1,478 buildings in disrepair, from which people need to be evacuated immediately. The city is completely neglected, and you can see how dirty it is. Transport is not operating. We constantly are somehow reassuring people and delaying a social explosion, strikes. Provision is very poor. We are receiving only about 40-45 percent of centralized supplies, and naturally there is very great tension and nervousness. [end recording]